How Managed Investment Makes Money – pages 5, 14

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Heads Oil Producers

The men who get crude oil from the Canadian sub-surface—currently at a rate of about 97 million bbls. worth some $250 millions a year—have elected Paul L. Kartzke, vice-president, Shell Oil at Calgary, chairman of the Board of Governors of the Canadian Petroleum Association. The new 14-man board, four from Saskatchewan, seven from Alberta, governs over 300 members, largely producers. Mr. Kartzke heads exploration and production for Shell's Calgary area.

THE NATION'S BUSINESS

Colombo Plan Money Invested In Peace

Canada has just added a million dollars to the Colombo Plan. Our share is now around $26 millions a year.

It is quite remarkable that with hardly a word of comment or critical appraisal Canadians are spending some $1,900 millions a year on military defense. The general predisposition is to take it for granted that those dollars for guns and airplanes, radar chains and ships are being well and wisely spent. Yet there is but little general appreciation of the positive achievements even our small Colombo aid is chalking up in that dangerous part of the world where Communism is winning major victories.

John Foster Dulles in his book War or Peace, published as long ago as 1950 said, "We have been concentrating almost exclusively on preparation for a hot war which may never come. Top policy decisions have been influenced too much by the military whose duty it is to think primarily in terms of a shooting war. Meanwhile we can lose the cold war. There is imperative need for an over-all strategy that takes account of all the realities, the non-military as well as the military.

Chester Bowles, recently U. S. Ambassador to India, was writing about this currently in the Atlantic Monthly. He said this:

> "Whether the country is rich or poor; whether the economy is capitalist, communist, or socialist, capital accumulated through savings is the essential dynamic motive force which determines the speed with which industry can be expanded and living standards raised. Today every underdeveloped nation is struggling with the question: Where can the savings be found to push forward development at a pace that will satisfy the impatient people? If a democratic government piles the taxes too high it will face defeat at the polls. Yet if it fails to match the progress of the Communist nations such as China, it will be swept aside in revolutionary upheaval.
>
> "In India, the tax load has been pushed to the limit which a democratic people will accept. Yet, each year, total savings — public and private — amount to only 5% of the gross national income. In Indonesia, the percentage is only 3.8%. These figures are in sharp contrast with the ruthlessly forced savings of the Communist police states. In Russia, the proportion has reached 20%. Communist China claims to have matched this figure. Although this is surely an exaggeration, the actual figure is probably in excess of 10%. The economic and political implications of these comparisons for the long haul are obvious."

The only possible hope, says Bowles, is more foreign aid, more Colombo plans, more Point Fourism.

What has not yet got across to the Canadian or American masses is just how good the pay-off is on things done so far.

• • •

Why They Are Merging

The Canadian public now has the chance to examine and consider the terms under which the Dominion Bank and the Bank of Toronto will amalgamate.

At the annual meetings of the two banks this week, the reasons for the union, the problems involved and the hoped-for results were laid on the table.

Here is what Bank of Toronto President B. S. Vanstone had to say on the matter in his address to shareholders:

> "Due to the great lead the larger institutions have had over us — chiefly because of their earlier mergers — and in spite of the progress of the Dominion Bank and ourselves percentage-wise, the gap in respect to assets, branches, and volume of business has been steadily widening. Thus individually we have been faced with the prospects of our effective growth and influence probably declining in the future in comparison with those of the larger banks . . .
>
> "In endeavoring to continue its growth alone in the future, your bank would be severely handicapped by the competition of the larger institutions. Only through amalgamation with a bank already established at points where our services have not yet been extended can we now expect to attain a proper coverage of Canada before finding place after place over-banked before we reach it."

Robert Rae, president of the Dominion Bank, said:

> "Through their larger capital, the important assets they administer and their representation at most points in Canada, larger banks have been able to offer a banking service with which, when very large accounts or transactions are concerned, smaller institutions like the Dominion Bank and the Bank of Toronto have found it difficult to compete, except through co-operation and at a higher cost. The amalgamation will result in a bank of a size that will enable it to compete with the largest on reasonable terms . . . . The amalgamation will mean greater not less competition in the Canadian banking field. We will be able to go after business which we found it difficult to get in the past because of the superior competitive position of the larger banks."

• • •

To All Its Readers The Financial Post Wishes A Happy Christmas

Who Won Round One In Bid-Peddling Fight?

Queensway Hospital Contract Goes To Only Electrical Subcontractor Who Submitted Bid, As Others Continue Efforts to Change System

By **HARLEY POTTER**

The "strike" of electrical, plumbing and heating contractors who are refusing to bid to general contractors at Toronto (The Post, Dec. 18) began to run into rough weather this week. Possibility of a similar situation at Montreal is developing.

The Ontario Architects Association advised the subcontractors that what they were doing—bidding to the architect instead of to the general contractors — is a "drastic change in bidding procedures." The association asked them to reverse their stand till the whole thing is talked over at a national level. The subcontractors' move could affect construction in all parts of Canada, they point out.

A joint committee of mechanical and electrical subcontractors were meeting at mid-week to decide what to do about the architects' request. Some subcontractors wanted to keep on sending all their bids to architects, in spite of what the architects say.

In the first real test case, 13 subcontractors adamantly refused to bid to any general contractor on the new Queensway Hospital — and lost the job to the one subcontractor who did bid to the general contractors.

The successful subcontractor, Canadian Comstock Co., one of Canada's largest and both an electrical and mechanical specialist, has defied the National Association of Master Plumbers and Heating Contractors. Comstock belongs to that group, but not the Ontario Electrical Contractors Association.

What It's About

Both groups have asked members to bid only to architects to stop "bid peddling." Bid peddling occurs when a general contractor shops around for a subcontractor to undercut the lowest competitive tender, or when a subcontractor by improper means finds out from someone in the general contractor's office what the low bid will be, and offers to undercut it. Said to be an increasingly widespread practice, it is causing losses and anger among subcontractors. They claim the public is hurt too by poor work subcontractors often must do for prices with virtually no profit in them.

In another Toronto job, an addition to Jarvis Collegiate, it is understood that not one general contractor received electrical or mechanical subtrade bid. The subtrades involved all sent their bids to the Board of Education, which didn't want them a bit.

The board is going to wait till early next year to make up its mind what to do.

The multimillion new Imperial

(Continued on page 3, col. 1)

PRICES

SEE ALSO TREND OF BUSINESS, P. 9.

Wool should stabilize around present levels, at least for first half of 1955. Major increases would quickly be reflected by lessened demand. Canadian textile industry can't afford to pay high prices.

Tallow firmness could be good for the long term. Increase in non-soap uses (fatty acids, chemicals, feeds) has balanced decline for soap use caused by detergents boom.

Hogs splurged recently, then dropped back, but there's little chance of major trend either up or down unless marketings change unexpectedly. Pork products should remain reasonably stable at fairly attractive prices for some time.

Tin showing weakness both in New York and London with temporary downtrend a possibility pending specific information on U. S. stockpiling plans next year.

U. S. Extradition Try Fails Brokers Face Quebec Court

MONTREAL (Staff) — Montrealers Harry H. Green and Walter H. Link will now have to face Quebec Government charges of fraud in connection with their stock-selling activities. But United States, in its first try at forcing extradition under the amended Canada-U. S. treaty, has failed.

The provincial charge includes fraud, false pretenses, illegal use of the mails and conspiracy. A third man, William Brady, of Toronto, is included in the charge; he surrendered to police after a warrant was issued for his arrest. A fourth, G. F. Candough, of Toronto, surrendered to police this week, while a fifth, Lou Wyman, of Montreal, is still missing.

Chief Justice W. B. Scott, in his Superior Court judgment, from which there can be no appeal, was blunt. He called the operation in which Green and Link were involved "nefarious," a "share pushing scheme," a "boiler room." But he indicated that the specific indictments, lodged by the U. S. Department of Justice, left him no choice but to refuse the extradition request.

It was billed as an important test case, with no precedent. The U. S. had said to Quebec authorities, in effect: "It's our baby. We'll take care of it." But Judge Scott found there was no need for him to rule on such points as the validity or otherwise of the supplementary convention, signed by the U. S. and Canada Oct. 26, 1951, and the question of whether the Michigan Federal Court had jurisdiction on the facts disclosed.

Nevertheless, the judgment is an important one. According to observers, it may mean that in future cases of this type the U. S. will prosecute under state laws instead of federal, or use the wider charge of "false pretenses" which would likely bring up some fine points of law on international telephone calls.

How It Started

Here's what happened:

Two indictments were brought down by the U. S. grand jury against Link and Green, 11 U. S. citizens, and T. M. Parker Inc. and Laurentian Securities Inc. of Montreal. They were charged with defrauding 17 residents of the State of Michigan in the purchase of securities, and thus of violating Sections 1341 and 77 Q (A) of the United States code, which is a federal criminal code.

The case broke earlier this year and the Justice Department applied for extradition of Green and Link to face trial. The action was taken under the Canadian Extradition Act and the supplementary convention between Canada and the U. S.

In an extradition case, it must be shown that the crime is also punishable criminally by Canadian law. But Judge Scott ruled that the only Canadian counterpart to U. S. federal sections 1341 and 77 Q (A) is section 209 (C) of the Canadian criminal code.

This section of the Canadian code reads as follows:

> "Everyone is guilty of an indictable offense and is liable for two years' imprisonment who makes use of mails for the purpose of transmitting or delivering:
>
> (C) — Any letter or circular

(Continued on page 2, col. [illegible])

Algoma Steel, CSL Changes in Wind?

Possible changes in the management setup of Algoma Steel Corp. and Canada Steamship Lines are being forecast in investment circles. Reports are that T. R. McLagan, now president of CSL, will succeed Sir James Dunn as president of Algoma, and that CSL will get a new general manager.

New $10 Million Bet Added To West's Oil Search Kitty

A large-scale expenditure on an expanded oil exploration program in Western Canada will be announced this week by a major U. S. oil producing company.

Southern Production Co., of Texas, a large southern U. S. oil producing company, has signed an amended contract with Canadian Atlantic Oil Co., Calgary, which is believed to call for expenditure of full $10 millions contracted for under former option arrangement.

Under a previous contract signed early in 1954 Southern Production agreed to spend $5 millions for exploration and development on acreage of Canadian Atlantic, Pacific Petroleums, Peace River Natural Gas Co., Sunray Oil Co. and others in Alberta and B. C. by June 30, 1955. It also gave Southern Production the option of extending the agreement to June 30, 1957, by the expenditure of an additional $5 millions.

The new contract is believed to call for expenditure of the entire sum by early 1958.

Under the new contract, Southern Production can earn a substantial share interest in close to three million acres located in the Peace River area in B. C. and Alberta and in the Foothills and Plains area of Alberta.

The company is currently drilling exploratory test wells on three projects and is preparing to start tests on three other projects. Two encouraging drill stem tests have recently been made in the first exploratory well on the Rocky Mountain House Project located 100 miles northwest of Calgary.

Reflecting the new contract, stock of Canadian Atlantic Oil Co. has been very active in last couple of weeks, moving up from $4.20 a share early in November to a new high $7.20 a share at mid-week.

Is Your Job At Stake Here?

Battle Lines Drawn Up At Geneva on Tariff Fight

OTTAWA (Staff) — All Canadians who depend on any foreign trade, and a great many others who face competition from foreign goods, are anxiously watching the protracted GATT negotiations in Geneva, now recessed until Jan. 4.

Are you hoping for more protection against foreign competition? Are you looking for export markets overseas? Are you trying to sell your goods in the United States?

Your prospects for 1955 and a good many subsequent years may depend on the solutions which are reached, or not reached, in the Geneva talks.

Directly dependent on these international negotiations is the Canadian Government's freedom to raise tariffs on such things as wool textiles, polyethylene and ethylene glycol, on which the Tariff Board is preparing reports.

Indirectly involved are United States quota restrictions on Canadian exports like cheese and other dairy products and on grains, and subsidized exports from the U. S. which compete with our exports; the discrimination against dollar goods which has kept our manufacturers out of so many overseas markets; and, most important of all, the whole future tendency of world trade—freer or more restrictive.

As the Geneva conference broke up for a Christmas recess, all the vital questions of the so-called "GATT review session" were unanswered. But the lines were beginning to be drawn. The crucial issues were emerging more and more clearly.

How U. S. Holds Key

When the conference resumes on Jan. 4 it will be aiming at a conclusion by Jan. 31. Already it seems doubtful if the target date will be met. But that depends mainly on what sort of answers the delegations bring back after the recess—and particularly on the attitude taken by the United States.

United States policies appeared during the pre-Christmas sessions to be dominating the thinking of most of the other nations at Geneva. The dominance of the U. S. economy in world trade could not have been more clearly illustrated. And one clear conclusion resulted from the public statements of other countries: the free world will not accept rules of good conduct for trade in general if the United States rejects the same rules for its products.

One after another the delegates got up in the formal public sessions to say that GATT could not tolerate agricultural quotas while it tried to do away with restrictions in other fields.

One after another, also, they urged that GATT should include a new rule against export subsidies.

Said Burma, for example: "We are undoubtedly perturbed by the move of some of the more advanced countries regarding the disposal of certain surplus farm products, including wheat, free or at a price much lower than the prevailing world price. This will surely disrupt the world market in foodstuffs, and may adversely affect the rice trade on which the economy of Burma mainly depends. Trade

(Continued on page 2, col. 3)

New Plan Would Give B. C. Huge Supply of Cheap Power

What Ottawa Is Planning In New River Control

OTTAWA (Staff) — Control over all dams or other works affecting the flow of "international" rivers will be asserted by the Federal Government in legislation to be presented to the new session of Parliament opening Jan. 7.

The new bill, which is additional to the amendment of the Electricity and Fluids Exportation Act (The Financial Post, Nov. 20), is designed to remove all doubt about federal authority over projects which might alienate to the United States water resources which could be of ultimate benefit to Canada.

It is of particular significance in relation to the possibility of diverting the Columbia River's peak flow into the Fraser River system. It will, it is hoped, establish beyond doubt the Federal Government's power to stop two particular U. S. schemes which would provide cheap power to the U. S. by regulating the flow of the Columbia River in Canada. They are:

—The Kaiser Aluminum plan for a dam at the foot of the Arrow Lakes, to which federal opposition has already been declared (The Post, Oct. 9).

—The Puget Sound Utilities Council's scheme for financing a dam at Mica Creek in return for a temporary use of the regulated flow of Canadian water. Conditions will be stiff but Ottawa might be more favorable if it could be assured that no permanent alienation of Canadian water were involved.

The new legislation may also be important in its effect on the Frobisher-Ventures plan for diverting the flow of much of the Yukon River basin through Taku Inlet in Northern B. C. For legislative purposes, it is claimed, the Yukon can be regarded as an international river, both because it finds its natural outlet to the sea through Alaska, and because the proposed diversion would also flow through Alaskan waters at Taku.

The bill now proposed by the Government will not, it is understood, assert federal authority over "inter-provincial" waters. It is contended that all the waters now regarded as vital to Canada's long-term interests, about which there may be argument, are covered by the description "international."

Divert Columbia Overflow to Fraser, Keep It In Canada

By **MICHAEL BARKWAY**

OTTAWA (Staff)—A billion-dollar-plus hydro development giving Western Canada some 30 billion kilowatt hours of cheap power every year.

This is the scheme lying behind an innocent-looking announcement this week from Jean Lesage, Minister of Northern Affairs and National Resources.

To investigate the economic feasibility of the project, the Federal Government proposes to spend $250,000 in the coming year. Equal sums may be necessary for another year or two before Canada can say definitely that the scheme is advantageous, though the first summer's work should give a pretty good indication.

In brief, this is the project:

—To switch the peak-season flow of the Columbia River through a huge tunnel into the basin of the Fraser River.

—To store the flood waters which rush down between April and September, and to release them into the Fraser basin between October and April, when the Fraser's flow is at its lowest.

—Thus, to use in Canada the peak flow of the Columbia water which now goes to waste, and also to develop power sites on the Fraser and its tributaries by doubling the off-season flow without interfering with the fisheries.

It would provide more than double the power to come from the Cornwall section of the St. Lawrence Seaway.

If the plan proves as sound as preliminary indications suggest it will:

—Put an end to all Canada-U. S. arguments about how the U. S. should pay for the advantages it would get from having Columbia flood waters stored in Canada. The benefits will not go to the U. S.; they'll be reaped in power plants on the Fraser and its southern tributaries, notably Eagle River and the South Thompson.

—Permit the development of power-sites on the Fraser and its tributaries without interfering with the salmon run, which is still regarded as inviolable. The increased flow will all be at the off-season, and there will be no increased danger of flooding.

—Turn Vancouver and the interior of B. C., and possibly Alberta as well, into a power-rich region—with all that that means in the way of new industries.

—Provide about one million acre-feet per year of water, available from no other source, for irrigation in the Okanagan Valley.

Protect Present U. S. Service

Until the new studies are completed several conflicting views about the scheme are held in government circles here. But all authorities agree on one point: The Columbia-Fraser diversion, if it proves practicable, will not take away from the United States any benefit which it now enjoys from Columbia River waters. The water-flow serving existing U. S. plants will be protected.

But the U. S. will lose 10 billion kilowatt hours per year of **extra** power which it could get if it could control the storage in Canada.

Article II of the Boundary Waters Treaty of 1909 establishes the right of either country to divert the waters in its own territory, subject to an appeal in its courts against any injury which may be caused to nationals of the other country.

To avoid any U. S. complaint of injury from the proposed diversion, Canada must, it is believed, maintain all the flow which is used at the Grand Coulee dam. This amounts to a flow of 85,000 cu. ft. per second, plus five mil-

(Continued on page 3, col. 4)

Canada Now Steel Trader?

The whole complexion of the Canadian export-import steel picture has been undergoing a marked change in recent weeks. If the trend continues, Canada will become an important steel exporter a few months hence.

Overseas steel producers who up until a year ago had been aggressively trying to grab off a larger portion of the expanding Canadian market have not only cooled on Canadian business but are now actually shifting into the import role themselves. Faced with an unprecedented boom in U. K., other sterling countries and Continental Europe, they find themselves unable to cope with the volume of steel business coming their way.

They are now seeking to supplement their productive capacity with imports from Canadian mills. Although most of the enquiries are calling for basic steel —billets, ingots, etc.—these have now expanded to include finished and semifinished steel lines as well. Potential overseas steel

(Continued on page 3, col. 3)

Inside News

MOVING MOUNTAINS and mud to get at our new iron ore wealth. A pictorial record of our biggest projects .. p. 11.

PLASTIC PIPES are a new force in industry. They carry acid, refrigerate rinks, irrigate golf courses .... p. 16.

WHY HUNT for uranium in fabulous Algoma may spread further .... p. 18.

WHERE TAX concession can mean profit tangles later for companies .... p. 15.

RAILWAY PLAN for agreed freight charges seen as threat to industry .... p. 17.

PUSH-BUTTON FACTORIES raise labor clamor for guaranteed wage .... p. 8.

BRITAIN'S THIRST for tea has become a political issue says Adelphi .... p. 16.

JOE STALIN is "Santa Claus" in this never-never land p. 8.

Last-Minute Christmas Rush Lightens Retail Inventories

It looks as if retailers are going to start 1955 with a shorter inventory position than many stores dared hope a scant month ago.

After a quiet early period of Christmas shopping across the country and a sag in '54 retail sales compared to boom '53, sales have rocketed in the last few weeks. In many centres it was night openings that helped turn the trick.

But while the sales mounted the cash registers didn't fill as quickly as they might. Reason: The run was chiefly on lower-priced goods, many of the more expensive ones were left on the shelves.

There was one notable exception to the trend. Television sets were selling faster than ever before right up to the end of the rush.

In most centres the weatherman played straight into the storekeepers' hands.

In Toronto the last weeks of the rush were mostly crisp, clear and cold. Shoppers were spared slush and soggy parcels.

In Montreal, which reported its best Christmas sales ever, weather was equally kind.

The prairies produced a relative heat wave, which, paradoxically, helped get the shoppers out.

Night Openings

But the success story of the period came in night openings. In almost every city they started from the suburbs and worked in. Many Toronto and Montreal suburban stores were open for one or two nights each week at the start of the month, but soon they switched over to every evening. The story was the same everywhere.

And the families liked it. Retailers reported the streets outside their shops crammed like busy afternoons. Lights, decorations, carolling helped get shoppers into the Yule mood.

Not until much later did the big downtown department stores follow the lead. And then, in some cases, like Winnipeg, they decided it wasn't worth it anyway and left it to the smaller independent stores. The result in Winnipeg was the independents did better than ever before in their records while over-all sales barely reached last year's total.

Simpson's store in Toronto featured four "family nights" when they were open until nine. The result was crowds and heavy sales.

The reluctance to spend heavily appeared to be geographical. In the Prairie Provinces it was not unexepected as many farm-

(Continued on page 3, col. 3)

Stock Market Highlights

Industrials

Aluminum Ltd. common moves up to record high ($73 a share). Company offering stock to shareholders at maximum of $46 a share.

C.P.R. common strongest this year, touching $30⅞.

Cockshutt Farm Equipment touched $8¼, best level since June this year.

Mines and Oils

Meta Uranium jumps sharply to sell near $1 as second drill hole picks up extension of new parallel uranium body.

Canadian Atlantic leads western oils higher, selling at 1954 high of $7.30, as Southern Production reported providing $10 million for exploration program.

Falconbridge Nickel moves up to new 1954 high of $22.50 as expansion program progresses, demand for nickel firm.

Gaspé Copper drops $2 a share to $18.50 Tuesday as production start not now expected until spring due to power line difficulties in St. Lawrence river crossing.

Christmas Greetings
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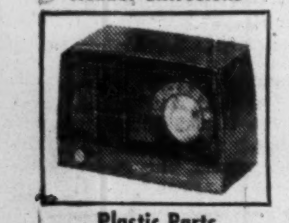
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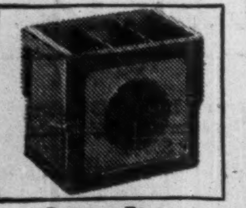
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THE GENERAL TIRE

Is Your Job At Stake Here?

(Continued from page 1)

and not aid should be the basis on which future relations of the countries are founded."

Said the United Kingdom (through Peter Thorneycroft, President of the Board of Trade): "We must grapple with the question of export subsidies . . . We think it essential that this problem should be tackled seriously and constructively."

Said Denmark: "Some parties"—he meant the United States—"may wish to establish special and less stringent rules authorizing certain quantitative restrictions for the protection of agriculture. My government would regret such attempts, and the solution will be an important factor in determining our attitude to the whole result of the Review of Gatt."

In these, and many other speeches, it was made abundantly clear that other countries will not give the United States explicit consent to limit agricultural imports, while they bind themselves to strict trade rules in other commodities.

Washington's Problem

Which means that the U. S. Administration is facing a tough dilemma during this Christmas recess.

In Washington—as this reporter has had it explained to him in detail and with emphasis — the problem appears like this:

— The Congress has adopted Section 22 of the Agricultural Adjustment Act, which requires the Administration to limit imports of any agricultural commodity whose price is being supported by domestic legislation. They explain that they "don't mean to support the world price, but just the U. S. price"; so imports have to be kept out.

— The Congress has specifically ruled that this shall apply in spite of any obligations under international trade agreements.

— The Administration is determined to submit the new GATT to the Congress. They talk about submitting the "organizational clauses" only, but obviously the Congress will want to examine the trade commitments too. What happens if the trade commitments flatly contradict Section 22 of the A.A.A.?

— Before the present GATT session, the U. S. Administration hoped to solve this problem by bringing GATT into line with Section 22. Officials said as much openly. Now it must be clear to them that nobody else will buy this idea. What are they going to do?

(1) They could decide not to submit the GATT to Congress after all. They could accept GATT with all the obligations which they can't fulfill, and—as the popular phrase goes—"go on living in sin."

(2) They could refuse to renew GATT unless they get their waiver for agricultural products—in which case there might be no renewed GATT.

(3) They could try to persuade Congress to accept GATT with its ban on agricultural quotas—in which case they risk having it turned down.

The U. S. decision on this politically-dangerous problem looks like being the most important single influence on the future of GATT.

Big Problem for Canada

From Canada's point of view—and particularly for industries which want more protection—another problem looms equally undecided:

What rules will apply after June 30, when the present "bound" tariff rates come to an end?

The Canadian tariff on wool, on polyethylene and on ethylene glycol, and possibly on other items which have not been referred to the Tariff Board, will depend on the answer to this.

As things stand now, June 30 automatically brings freedom to raise tariffs which have hitherto been "bound" against increase. Article 28 of the GATT comes into force at that date. It allows contracting parties to end their concessions. They must try to negotiate with their partners and reach agreement on the tariff hikes. But if they cannot reach agreement, they have the right to raise tariffs by unilateral action.

If this is allowed to happen, it's easy to foresee the consequence. Nearly every country will have some tariffs which it wants to raise. Every other country will think it is hurt by the increases and will therefore retaliate. There could be a colossal chain reaction. It could easily negate all the painfully-negotiated GATT tariff schedules. We might be back where we started in 1947.

U. K. Proposal

Nobody knows yet what the solution will be. The prevailing proposal is the one made by Peter Thorneycroft for the U. K., which was to continue the present tariff schedules till the end of 1957. But the U. K. recognized that some of the "bound" rates might have to be renegotiated "in cases of special urgency or other exceptional circumstances."

The problems seem to be threefold:

— How to rebind most of the rates, so as to hold the GATT structure together, while still allowing—

— Some means of renegotiating items which are particularly sensitive for some countries; and

— Spreading the different withdrawals of "bound" items so that we don't have a flood of withdrawals, each with its counteraction by other countries, leading to a chain reaction.

However this is arranged, the U. K. with some support from other countries, wants to put a complete stop to the possibility of unilateral action. The backstage talk among the delegations seems to have been directed at finding a means whereby tariff changes can be made by consent of the contracting parties. The object — from Canada's point of view — must be to make escape difficult, but to provide enough opening for escape so that countries which find themselves really up against it can raise a tariff by agreement, rather than defying the whole GATT structure.

Tighten Escape Clauses

Most hopeful of all the GATT developments is the readiness of the United Kingdom and other soft currency countries to tighten up the balance of payments escape clauses. These are the clauses (XII-XV) which have been used so far to justify all sorts of import restrictions and discriminations against dollar goods. Their use has gone a long way toward negating the tariff concessions which Canada should have gained from the U. K. and other sterling and European countries.

Peter Thorneycroft took the lead in proposing that they should be tightened up, specially as convertibility comes nearer. He suggested that nobody should be allowed to impose quota restrictions for balance of payments reasons, except with the consent of the Contracting Parties. This is perhaps the clearest example of the proposal that GATT members should exercise some kind of collective judgment on deviations by one of them.

It involves a new form of "escape" for under-developed countries. They all insist on it.

It is tied up with the proposal that a strengthened permanent organization of GATT should collaborate with the International Monetary Fund in deciding on deviations from the general rules.

The British are going a step further. They want to ensure that if they keep the rules—after convertibility—the United States also keeps them by maintaining a deficit position and not gathering in dollar exchange all the time.

Mr. Thorneycroft proposes that if the U. S. dollar becomes a "scarce currency," then everybody shall have the right to organize discrimination against it. Everything will be fine as long as the U. S. manages—in one way or another—to go on pumping out more dollars than it takes in. But if U. S. policies should change, and dollars again are allowed to become really scarce, then the rest of the world would have its own defense in Mr. Thorneycroft's proposal of collective discrimination.

Tariff Relief For Canada

For Canadians, tariff relief—either raising of our own tariffs or reduction of other peoples'—clearly depends on the solution of all these complicated and contentious general issues.

A key sentence in Trade Minister Howe's speech to the GATT meeting gave the clue to Canada's attitude: "We must provide in an orderly way," said Mr. Howe, "for the readjustment of individual tariff items, from time to time, as special circumstances arise. It is of crucial importance, however, to avoid a situation in which the governments concerned might make widespread and substantial withdrawals of tariff concessions from one another. In that direction lie trade wars, which it is one of the central purposes of the GATT to avoid."

What this means for Canadian business, in practical terms, is that the government's stand rests on these three points:

1. Our primary interest is to get the greatest possible degree of liberalization from all other countries.

2. In particular, nothing that we might do to help a particular industry would justify giving the British a chance to postpone convertibility or condoning U. S. restrictions on agricultural products.

3. Provided the whole framework of the trade rules and negotiated tariff schedules can be maintained, then several Canadian industries may deserve increased protection. But their individual cases, however good, can hardly outweigh the advantage to Canada of keeping the whole free world on the path of freer trade and currencies.

Thus it is that the fate of particular industries now clamoring for protection is inevitably tied up with the fate of other Canadian industries seeking freer opportunities in foreign markets.

In an ideal set of circumstances we shall get help for both the export industries and the domestic industries worried by foreign competition. The month of January should show. But the chances are that we shall have to choose between these two things:

— Preserve GATT, with the best conditions we can get (far from perfect as they will be) for the long-term future of our exports.

— OR get the immediate advantages of higher protection for some of our domestic industries, at the risk of having new barriers raised against our exports.

The best we can hope for is that the general trade rules can be maintained to the benefit of our exports while minor concessions are permitted for a few of our domestic industries. If our negotiators at Geneva can get this, they will deserve a resounding vote of thanks. But their order of priority is fairly clear.

Announcing

Anglin-Norcross Corp. (Montreal)—Rt. Hon. Lord Ashcombe, chairman and director; J. Eric Harrington, president and director.

Bathurst Power & Paper Co. (Bathurst, N.B.)—R. H. Christian, a director; is executive vice-president and treasurer.

British Pacific Insurance Co., (Vancouver)—Ronald L. Cliff, director.

Burns & Co. (Calgary)—W. A. Crawford-Frost, director.

Canada Iron Foundries Ltd., (Montreal)—Harry M. Finigan, general purchasing agent.

Canadian Bank of Commerce (Toronto)—Joseph Harris, Winnipeg, and H. R. MacMillan, Vancouver, vice-presidents.

Canadian Car & Foundry Co. (Montreal) — J. G. Mitchell, vice-president in charge manufacturing, railway car equipment; G. L. McMillin, assistant vice-president, steel foundry.

Canadian Breweries Ltd. (Toronto)—J. G. Campbell, vice-president finance.

Central Electric Wire Ltd. (Perth, Ont.)—F. R. Graham, Jr., Montreal, president and director; F. A. Harris, Northampton, Mass., vice-president and director; C. N. Knowles, Montreal, secretary; H. A. Pace, Northampton, treasurer; E. G. Hanson, Montreal and Sherwood Harris, Northampton, directors; Ralph Horner, Montreal, general manager.

Confederation Life Association (Toronto) — F. B. Brooks-Hill and A. J. Trusler, associate treasurers; R. E. Malone, assistant treasurer; D. E. Watts, assistant actuary; C. R. Scarrott, superintendent group sales; G. A. Paquet, director of field training; D. M. Fortune, field training supervisor; S. M. Farwell and W. R. Learmonth, assistant solicitors; P. Burns, supervisor of planning.

Crawley Films Ltd. (Ottawa) — Ted de Wit and Gerard Raucamp (of Holland), producers.

Guarantee Co. of North America (Montreal)—Harold V. Gilbert, a vice-president.

Imperial Life Assurance Co. (Toronto)—Neil P. Petersen, Toronto, Renault St.-Laurent, Quebec City, directors.

Institute of Chartered Life Underwriters of Canada—W. D. Batters, Mutual Life of Canada, president, Vancouver-Westminster Chapter.

Lever Bros., Ltd. (Toronto)—H. Greenway, vice-president; J. C. Lockwood, marketing director; F. P. Steele, general sales manager.

Lincoln Electric Co. of Canada (Leaside, Ont.)—R. G. Alison, vice-president in charge of sales.

MacManus, John & Adams of Canada Ltd., (Toronto)—Edward Huff, account executive.

National Presto Industries of Canada Ltd. (Wallaceburg, Ont.)—C. A. Derick, general sales manager.

New Brunswick Government, Department of Agriculture (Fredericton)—Eldon M. Taylor, deputy minister.

Planned Sales Ltd. (Toronto) — W. H. Hornell on sales staff.

Saskatchewan Power Commission (Regina)—J. K. Swanson, chairman.

Sun Life Assurance of Canada (Montreal)—W. G. Attridge and R. G. McKercher, associate directors of agencies; Trevor Ross, superintendent of agencies in charge of group service; Harold R. Facey, assistant superintendent of agencies, group division, head office.

Virginia Mining Corp. (Montreal)—Gilbert E. Ayers, director.

Retirements

New Brunswick Government Department of Agriculture (Fredericton)—J. K. King as deputy minister.

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OFFICES ACROSS CANADA FROM COAST TO COAST

U. S. Extradition Try Fails Brokers Face Quebec Court

(Continued from page 1)

concerning schemes designed to deceive and defraud the public, or for the purpose of obtaining money under false pretenses."

Phones Left Out

The important point is that there is no mention in that section of telephone calls — just mail frauds. A substantial amount of the evidence presented at the lengthy hearing involved telephone conversations between Montreal and U. S. centres.

"It is obvious," said Judge Scott, "that these indictments charge the commission of many criminal offenses committed by means of false and fraudulent statements made over the telephone from Montreal which amounted to fraud and false pretenses and in which there was no use of the mails."

Then, the key point: "it would be manifestly unjust, unfair and grievously prejudiced to the accused to surrender them for trial on indictments where, in addition to the charges of fraudulent use of the mails, fraudulent telephone calls constituting false pretenses and fraud committed in Canada without using the mails would also be put to the jury . . ."

"To hold otherwise," he ruled, "would be contrary to law and to our established principles of British justice."

What would have happened if the U. S. indictments had been made under state laws, as they might have been?

The Justice Department, Judge Scott noted, did not try to prove that forgery, false pretenses, defrauding the public or appropriating money or property for the benefit of the accused were offenses under Michigan law. But these are criminal offenses under the Canadian criminal code.

"The court is obliged," he remarked significantly, "to take these Michigan federal indictments as it finds them. Naturally it has no right to modify them."

Brokers' license of the T. M. Parker firm was canceled at the end of June, 1953, and the post office authorities denied the company use of the mails a month later.

Raps Bell, Bank

In his judgment, Chief Justice Scott had a few words to say about Bell Telephone Co. of Canada.

Bell, he charged, "should have made proper enquiries as to the firm they were dealing with before they installed the battery of telephones at 218 Notre Dame St. West . . ." And further, "the admittedly heavy long distance toll charges of a company to which the telephone company gave its lowest credit rating should have aroused suspicion."

Bell was not the only one singled out for criticism. Judge Scott called it regrettable that Banque Canadienne Nationale "did not exercise more common sense in the supervision of this (the Parker firm's) account." The bank, he said, "had a moral obligation to ascertain what was going on."

Immediately following the dismissal of the extradition case (it was recommended, incidentally, that the Canadian Government pay the costs of the accused), Green and Link were arrested on a special Quebec Government fraud warrant.

Hearing was scheduled to start Dec. 22 in criminal court here, before Judge Gerald Almond.

Canadian Dictaphone Leads Company Growth

Dictaphone Corp. Ltd., of Canada is "the fastest-growing part" of the world-wide organization of Dictaphone, C. King Woodbridge, chairman of the board, declared at the formal opening of the company's new Canadian headquarters at 204 Eglinton Ave. East, Toronto, recently.

The Canadian company's business has increased nearly 10 times since 1946, Mr. Woodbridge said, with 20 offices under General Manager R. M. Kent.

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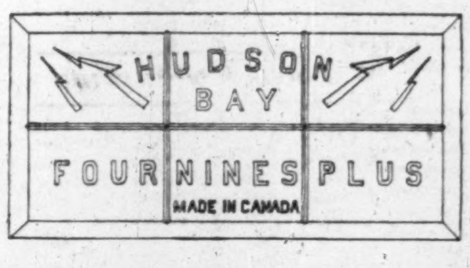

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Who Won the First Round In Bid-Peddling Battle?

(Continued from page 1)

Oil head office—also at Toronto—was still up in the air at time of writing, three weeks after closing of the tender call. Imperial Oil's architect complied with the subcontractors' request to call the bids separately from the general contract, so the bid could not be "peddled." Announcement of the award was expected late this week.

On a small suburban job, one architect, caught between the subcontractors and the general contractors a couple of days before closing time, complied with the subcontractors' wishes. No subcontractor was going to bid to the general contractors, he gathered. In the interests of the owner, he decided to require all general contractors to submit their bids without prices for the plumbing and electrical trades to the owner. But they could include a sum to cover their cost of supervising the subtrades involved.

The owner, whom the architect had not had time to consult, greeted news of the move with protests at first. How it will work out isn't known yet.

Quebec Position

At Montreal, the electrical contractors have the question of bidding to architects and owners only under advisement. The Corporation de Plomberie et Chauffage has received the recommendation of the council of the National Association of Master Plumbers and Heating Contractors, and will meet on it early in January. Opinion is said to be favorable to the national council's recommendation of no more bids to general contractors.

The Queensway Hospital board is so far keeping quiet about the "hot" question of whether the electrical and mechanical awardee was in the fact the lowest bidder on those subtrades. Crawford Gordon Jr., president of A. V. Roe Canada and chairman of the hospital board says that factors considered by the board "included not only economy, but the experience in the field of hospital construction and compliance with the board's requirements in tendering."

The architect had declined to accept subtrade bids, because he didn't want to set a precedent before his association acts. The board refused to nominate the electrical and mechanical subcontractors to be included in the general contract, but offered to compromise. It would receive duplicates of the electrical and mechanical bids. And it would require that general contractors include subtrade bids that were also in its hands. (The board would close its subtrade bids 24 hours ahead of the general contractors to make bid peddling more difficult.)

The electrical contractors refused to compromise, and told the board so bluntly. All but one, not an association member, bid to the board only.

Whether it was the deciding factor in the award or not, the board is believed to have been somewhat nettled by what could be viewed as outside dictation about its own business.

Now at least one subcontract bidder believes the board should be forced, by public protest, to reveal just where the awardee's bids stood pricewise. The board is spending the public's money, he argues, and has no right to remain silent. Among electrical contractors at any rate, the awardee was not the only bidder with extensive hospital experience. (The nearest bid to the awardee's could have been a firm without much hospital experience, of course.)

The successful subcontractor is Canadian Comstock Co., whose bid is included in that of J. L. E. Price & Co., who have been awarded the general contract for $1.5 millions. The subcontract award was announced by the hospital board, just like the general contract.

Nine general contract tenders were received, and all but one complied with the hospital specifications.

Eight other electrical and five other mechanical subcontractors bid.

Architects Divided

Architect opinion seems divided. There are those who, like their Ontario association, think the subcontractors' plan is a drastic change. They see themselves letting all the subtrade bids — plastering, painting, and a host of smaller ones. The electrical subcontractors reply that their trade and the mechanical trades are 30%-40% of the value of a building. And the nature of their work is different from the smaller trades, which are closely related to the general contractors' work. So, the electricians argue, there is no cause to fear the architects will have to let all trades.

Other architects are sympathetic. A number of them already let mechanical and electrical trades separately, and have done so for years.

Subcontractor reaction is unfavorable to the Ontario Architects Association plea that they wait until the Canadian Construction Association and Royal Architectural Institute have talked it over.

The question has been talked over for years at the national level, but nothing has been done. And they say their move is not drastic — the general contractor will still co-ordinate the job, be able to reject subcontractors the architect nominates.

A leading subcontractor denies the move at Toronto was launched a month before the Canadian Construction Association to embarrass the association. Both plumbers and electricians got progressively fed up, acted out of desperation.

A number of them admit to having helped "bid peddling" to get business — "but we're just not going to do it any more."

ANNOUNCEMENT

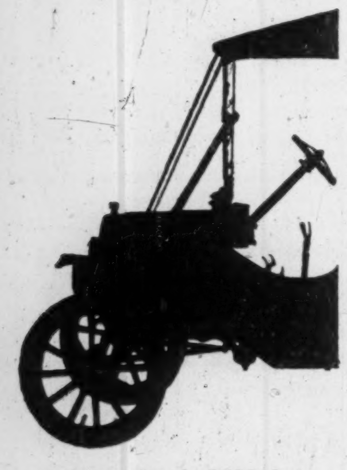
ELECTED DIRECTOR

R. H. CHRISTIAN

was elected a director of Bathurst Power & Paper Company Limited.

Mr. Christian has been connected with Bathurst Power & Paper Company Limited since 1947 and is the Executive Vice-President and Treasurer of the Company.

Collector's item



a pace-setter in 1910, but no match for today's travel standards!

No one would want to make a collection of some of the archaic methods used in many of today's business offices—methods which hold back company progress more than a Model T slowing traffic on a super-highway. The file room, and the transferring of records, often suffers because of outdated or haphazard filing procedures. How do you stand—now that transfer time is at hand?

Steel, wood and jute-board transfer cases and supplies will be necessary for the busy year ahead. If you need help, call in a friendly Office Specialty Systems Expert. He will be glad to iron out your transfer troubles, at no obligation. Full colour 9¼" x 12" reproductions of a 1910 Ford Model T suitable for framing are available. Mail the coupon for your copy.

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Auto Production

	Week Ending Dec. 17	
	Cars	Trucks
Chrysler	1,798	70
Ford	Strike	Strike
General Motors	3,532	466
Nash	7	...
International	....	134
Studebaker	....	...
Totals	5,337	670
Previous week	4,553	627

Look For It Here

December 25, 1954

REGULAR FEATURES

Adelphi 16
Bus. Trends 9
Editorials 6
Growth Stocks 7
Labor Round-Up 8
Investments 4, 5
Mkt. Comment 13
Mining 18
Others Say 6
Quotations 12
What's New 10

INDUSTRIALS

Alaska Pine 4
Alum. Ltd. 8
B.A. Oil 4
Budgett 9
Can. Bk. of Commerce 5
Can. Nat. Bk. 7
Gen. Bakeries 8
Laura Secord 4
Royal Bk. 5
Tor.-Dom. Bk. 7
Wellcome Fdtn. 5

MINES & OILS

Acadia 18
B.A. Oil 19
Cdn. Decalta 18
Gt. Sweet Grass 18
Imp. Oil 7
Intnl. Nickel 15
Lake Nordic 18
Lofado 18
Meta Uran. 18
Noranda 7
O'Brien Gold 15
Rex Athabasca 18
Rexspar 17
Roche Long Lac 18
Wildnest 18

MORT. L. LEVY

of Imperial Life Assurance Co., will head the Life Underwriters Association of Toronto for 1955.

New Plan Would Give B.C. Big Supply of Cheap Power

(Continued from page 1)

lion acre-feet to fill up the Grand Coulee reservoir. Whenever there is a flow above this amount—as there is each year at the peak of the flood-waters—it spills away to waste.

Present federal plans call for the maintenance of this flow so that none of the existing U.S. power plants have to run short after the Canadian diversion into the Fraser. But they envisage storing the flood-waters (which the U.S. can neither use nor store without Canada) and putting them into the Fraser River system at the most convenient, off-peak time of the year.

Projects Involved

The works involved are these:

1. The dam at Mica Creek, in the Big Bend of the Columbia, (often described in The Financial Post, e.g. March 6.) It will provide at least 10 million acre-feet of storage, yielding some 10 billion kilowatt hours of two mill power per year in Canada.

2. A dam at Little Dalles, near Revelstoke (required for power anyway) which could divert the Columbia waters through a 15-mile tunnel under Eagle Mountain into the Eagle River. This flows into Shuswap Lake, and so into the South Thompson, which joins the Fraser at Lytton.

3. Optionally, the Kootenay Diversion (The Post, June 26) would add another 50% to the stored water which could be put through the Fraser system in the periods of low flow. Legally, this diversion would probably be possible without any claim of actual injury from the United States; but it would kill the U.S. scheme for a dam at Libby, Montana. It would divert about 5,000 c.f.s. of flow, and would add about 5 million acre-feet to the storage available to be fed through the Fraser.

The power benefits are these: The Mica Dam alone would give Canada about 10 billion kwh per year of cheap power, if the flow continued down the Columbia.

(For comparison, the St. Lawrence River power project's big dam near Cornwall, Ont., will generate 12.6 billion kwh a year. This will be shared equally by Ontario Hydro and New York State Power Authority.)

The Mica Dam would also give the U.S. a potential of 7.5 billion kwh extra from the plants now existing or planned; or 10 billion kwh from all the possible plants.

If the Columbia were diverted into the Fraser, Canada would lose three quarters of the power potential of the Little Dalles dam plus minor losses below the Arrow Lakes. The 10 billion kwh or the "main stem" might be reduced to 8 billion kwh.

But in audition we would gain an estimated 18 billion kwh to be developed in the Fraser River system. Installed capacity could be almost 3 million kw.

Add roughly 50% to all these figures, if the Kootenay diversion is made too.

The U.S. would lose nothing from its present power output, but it would not get the 10 billion kwh which Mica could theoretically provide if Canada agreed to give it.

The cost estimates are still vague. That is the main reason for the new study. But Mica is known. It would cost about $250 millions for a dam for storage alone; perhaps $320 millions for storage plus on-site power.

This would provide power at about two mills. The site is less than 250 miles from Calgary, and not much more from Edmonton. Even over the difficult mountain terrain, it is doubtful if transmission could cost as much as one mill. There is a prospect of three mill power for both the principal cities of Alberta.

(Although there is no basis for direct comparison, power authorities in Eastern Canada figure the two mills per kwh cost for at-source power is "one of the cheapest in existence.")

The diversion at Revelstoke would involve a 15-mile tunnel into the headwaters of the Eagle River. Costs are still unknown, but geologists say it should be an easy mountain—good drilling and hard rock where the tunnel would not have to be lined.

The Eagle River, leading into Shuswap Lake, might have to be blasted to accommodate a larger flow.

In the forebay under Eagle Mountain the first power plant after diversion would dispose of a head of 250 ft., and would justify an installed capacity of 440,000 kilowatts.

From there to the sea the total head is 1,200 ft. Having regard to all the requirements of the fisheries, it may be that only about 800 ft. of this could be developed. But taking Columbia water with the Fraser water, this should justify an installation of almost 2.5 billion kw, giving an annual supply of 15 to 16 billion kwh.

Fish and Railways

A crucial part of the coming investigations will be to discover whether suitable power sites can be developed without interfering with the fishery and without requiring expensive relocation of railways as in the Fraser Canyon.

The key to the Fraser end of the scheme is that this river pours down flood waters between May and September, and for the rest of the year is too slow to offer any attractive power-sites. On a 40-year average the lowest flow was in March at 25,600 cu ft. per second. (This is at Hope). The high flow was in June at 242,000 c.f.s.

Assuming that both the Kootenay and the Columbia diversions were made, they could more than double the flow at the low seasons of the year without affecting it at the flood.

Fifteen million acre-feet of stored water from the Kootenay and the Columbia, spread over nine months of the year (i.e. all except the peak months) would add 28,000 c.f.s. to the Fraser's flow at Hope. Spread over only seven months, they would add 36,000 c.f.s.

The total possibility of power development, therefore, would be greater than that of the diverted waters alone. There would be added the use of the Fraser water which is now too low in the off-season to be an economic proposition.

Power Price Big Question As N.B. Studies Projects

From Our Own Correspondent

FREDERICTON — Can New Brunswick supply enough power at an attractive price?

That's one of the major questions being discussed here as the province considers the long-term possibilities inherent in the major discoveries of base metals in the past two years. Those possibilities include both metallurgical and chemical industries.

Commenting on a recent report that one company has already indicated it is planning to invest $10 millions in the province to process the ore proven on its properties, a New Brunswick Electric Power Commission official pointed out the proposed development hinged on competitive power costs.

Power for the new industry, he said, could be supplied by the Beechwood project which, while it is the initial step in the hydro development of the St. John River, is economically sound by itself.

Emphasizing the importance of low cost financing to hydro development, he said the $50 million Beechwood project financed at 3½% would deliver power to load centres at approximately 5.8 mills per kwh. The 5.8 mill rate, he added, would place the province-owned utility in a bargaining position to attract new industries to the province.

Each 1% variation in interest rate, he claimed, makes a corresponding variation in the cost of delivery energy of approximately one mill per kwh.

Sufficient power potential, he said, is available in the St. John and other rivers in the province when completely developed to meet the requirements of a metallurgical-chemical industry plus the growing normal demand of the provincial economy.

One of the largest rivers of the Atlantic seaboard, the 424-mile St. John has drainage area of 23,000 square miles with a total undeveloped power potential of upward of 700,000 hp. and a combined storage possibility of about 3,600,000 acre feet. The total head which could be utilized in a series of plants amounts to 550 ft. on the main stem of the river. Other New Brunswick rivers under study have an additional hydro potential of around 170,000 hp.

Canada Now Steel Trader?

(Continued from page 1)

consumers are also getting into the import role.

A highlight of the steel picture this week has been Steel Co. of Canada's 30,000-ton export order from a European steel firm. This is Stelco's first large-scale overseas order. It is expected that this export order, added to present demand, will enable the company to bring its open hearth steel-making facilities to near capacity (around 1.9 million tons annually) for two months. The exports—in the form of steel slabs—are urgently needed by the European steel firm to maintain production on its hot strip and cold reduction mills.

The recent large-scale export business concluded by Dominion Steel & Coal Corp., Sydney, N.S., included 10,000 tons of billets for British mills as well as a $25 million finished steel products order for a Mexican railway company.

Dominion Foundries & Steel Corp., at Hamilton, also report numerous overseas steel enquiries. Although these haven't produced orders yet outlook is promising.

'Last-Minute' Sales Brisk

(Continued from page 1)

ers had had a relatively lean year. In Toronto, it was the same story though on a greatly reduced scale. Retailers in other areas, especially Montreal and the Maritimes, reported sales standing up well with the expensive presents moving well.

Credit Pinch

A spokesman for the Ontario retailers had this to say to the Post on the reduced spending. "We weren't really surprised because we know there isn't the money about. So many people are buying things on installment plans they can only afford small gifts more as gestures than anything else."

On the Prairies, however, credit curbs instituted a few months back have already won wide acceptance from customers

When the last present has been unwrapped, the public may find they have one more gift to come. Many suburban shopping center executives were so impressed by the volume of sales — and the goodwill they produced — that they are seriously thinking of following the U.S. pattern and making night openings the regular rule rather than the rare exception.

Business Gets $750,000 H.Q. At Western U.

The School of Business Administration of the University of Western Ontario — established in 1949 in temporary quarters — is to get a new, permanent home on the campus of the university in London.

An immediate start on a $750,000 building has been made possible by a donation of $250,000 from Richard G. Ivey, Q.C., LL.D., who is retiring as chairman of the school's Advisory Committee but remaining a member. Balance of the cost will come from the original School of Business Administration Fund.

New premises will accommodate 250 undergraduates and 125 graduate students. Management training and other executive development courses will be continued there.

Founding of the school five years ago followed extensive consultation between university authorities and leading Canadian businessmen, was based on 30 years' experience of education for business at the undergraduate level.

More than $500,000 was contributed by business circles for temporary quarters, for business research, additional staff, collection of Canadian business case reports. The school pioneered the case-study method of teaching in Canada, has prepared more than 150 Canadian business cases with another 56 in preparation.

It now provides a four-year undergraduate program concentrating in the two final years on business subjects, a month-long management training course in summer for experienced businessmen of potential high-level executive calibre. Its Master of Business Administration (B.M.A.) program offers advanced courses in selected fields.

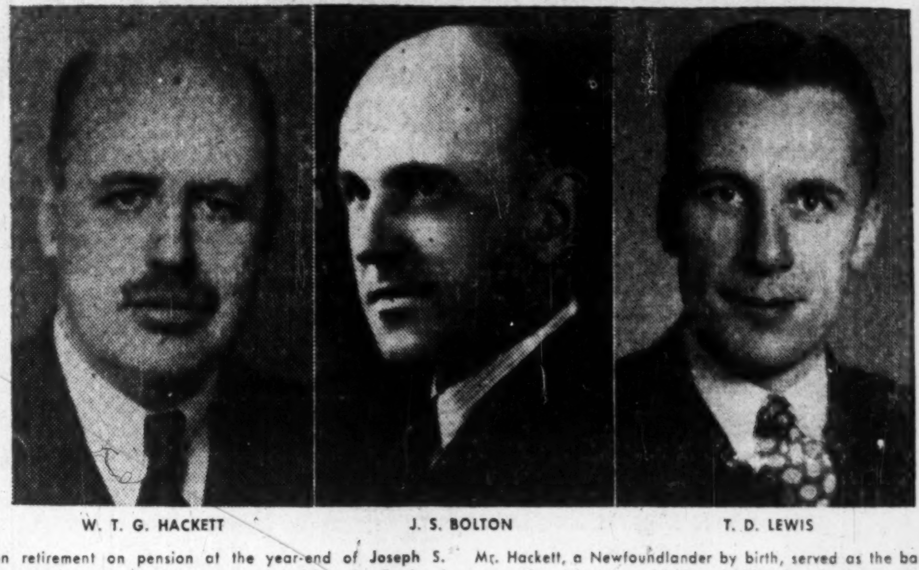
These courses have been taken by 498 executives. Other types of advanced instruction, including the Marketing Executive Course, have been attended by more than 600 executives.

Mr. Ivey is succeeded as chairman of the school's Advisory Committee by J. R. White, president of Imperial Oil Co., Lt.-Col. Gordon Ingram, vice-chairman of the university board of governors, announced. Mr. White joined the committee in 1949, is a former student of Western.

"EXPORT"
CANADA'S FINEST CIGARETTE

ANNOUNCEMENT

B of M Appoints New Head of Investment Operations



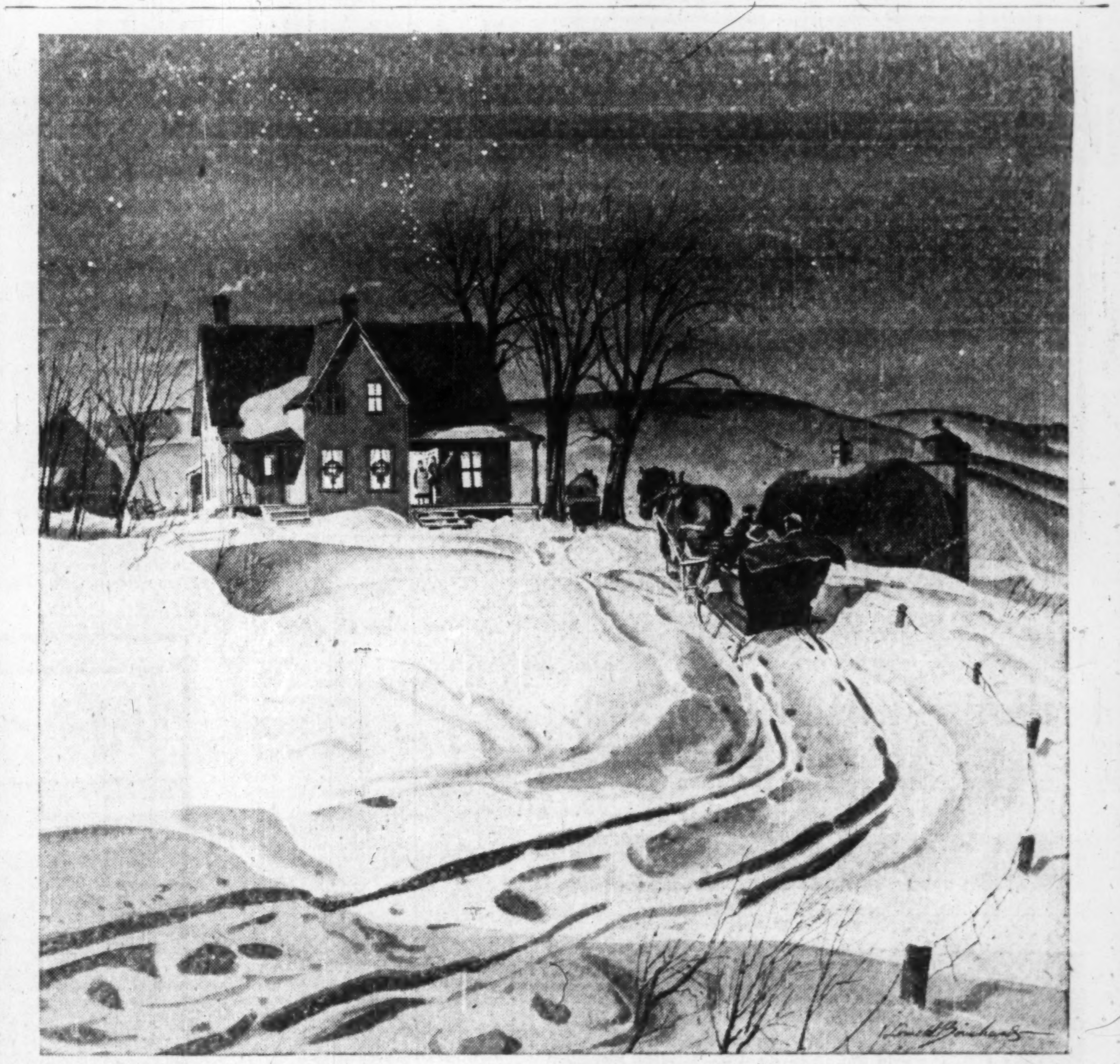
W. T. G. HACKETT J. S. BOLTON T. D. LEWIS

Upon retirement on pension at the year-end of **Joseph S. Bolton**, assistant general manager supervising the Bank of Montreal's investment operations, **William T. G. Hackett**, assistant general manager, will assume charge. **T. Denton Lewis**, manager of the B of M's securities department for the past two years, has been promoted to the rank of superintendent, Securities department.

Well-known in Canadian investment circles for many years, Mr. Bolton retires after 46 years' service with the Bank of Montreal, which he joined at his home-town of Picton. He has been stationed in Montreal for 40 years and served as assistant accountant of the bank's main office there before being attached to the head office securities department, of which he became manager in 1935.

Mr. Hackett, a Newfoundlander by birth, served as the bank's economic adviser from 1943 to 1952, when he was made an assistant general manager. A graduate of the University of Toronto, where he honored in economics, he spent a number of years in the investment business. Early in World War II, he became secretary of the Ontario Executive of the National War Finance Committee, and later of the Wartime Industries Control Board. During his service with the B of M he has written and spoken extensively on economic matters.

Mr. Lewis became associated with the B of M's securities department early in his banking career and in 1946 was made assistant manager of the department's trading division. Six years later he was promoted to the management of the department, which he will continue to hold as superintendent.



We all come home for Christmas

...and this is the magic of Christmas:

that even though miles and continents may separate us from our loved ones,

in our hearts we all come home for Christmas.

The House of Seagram

THE BANK OF TORONTO AND THE DOMINION BANK

NOTICE

Pursuant to the Bank Act, Chapter 48, 2-3 Elizabeth II, notice is hereby given by The Bank of Toronto and The Dominion Bank that they intend to apply to the Governor in Council for approval of the amalgamation agreement made between them.

Dated at Toronto, 23rd December, 1954.

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Robert Rae,
President
A. C. Ashforth
General Manager

THE BANK OF TORONTO
B. S. Vanstone,
President
Wm. Kerr,
General Manager

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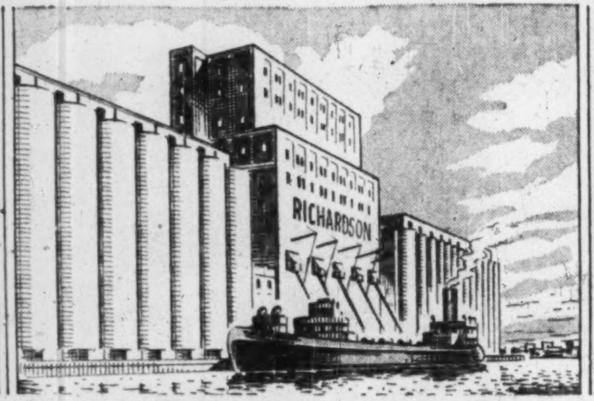

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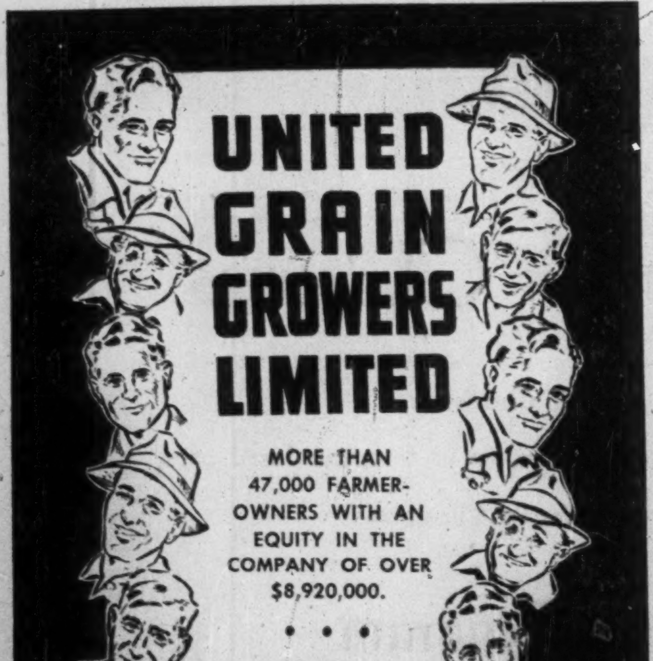
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TAX TACTICS

What Investors Should Know

Sudden Profit Jumps — Later Letdowns — Now Possible

By PAUL S. DEACON

With the winter flurry of annual reports about to hit, investors will do well to familiarize themselves in advance on an accounting technicality which will have an important bearing on a proper understanding of the results in many reports.

This technicality is dealt with in greater detail in a special article on page 15 in this issue. The article sets out one suggested method of reducing possible distortion of results arising from change in the method of reporting depreciation and tax provisions.

Investors have been doing a little extra arithmetic on their own for some time, trying to interpret earnings results of companies which have been taking full advantage of provisions in the income tax regulations allowing faster-than-normal tax write-offs. Aluminium Ltd., Canada Cement, and many other firms which have had large capital expenditure programs, are included in this group.

Extra arithmetic was necessary because companies were forced to charge in their own books of account all the depreciation (or capital cost allowances) they were claiming for tax purposes. The greater the depreciation provision, the smaller was the taxable income. And most companies preferred to minimize the taxes now, in case earnings were harder to come by later, or in case tax rates might by happy chance decline some time in the future.

Depressed "Earnings"

This tended to reduce reported earnings below levels analysts considered realistic. Fortunately, many companies showed the amount by which net profit had been reduced by taking the extra depreciation, and it was possible to work out what "real" earnings were.

A new issue has developed as a result of the repeal last spring of income tax regulation 1100 (4) which had forced companies to calculate net profit on the abnormal depreciation basis in their books as well as in their returns to the tax department. Taxpayers naturally still want to take advantage of maximum permissible write-offs so that immediate taxes payable will be reduced, but they no longer have to charge more depreciation than they want to in their own books.

This leaves a new situation. In calculating net profit, if write-offs for tax purposes are a lot larger than the regular write-offs in a firm's own books, and if only the actual current tax payable is deducted the net profit figure can show an abnormal jump in 1954 — even though profit before depreciation and taxes has not changed. Later, when the tax payable jumps because of the drop in write-offs, the net profit could show an abnormal drop (assuming earnings before depreciation and income taxes were the same). To a shareholder not familiar with the situation, this could prove an unpleasant surprise.

CICA Suggestions

So the committee set up by the Canadian Institute of Chartered Accountants has come up with recommendations designed to avoid distortion of earnings figures. There were differences of opinion as to how this might best be achieved, but there was general agreement that where there have been significant reductions in current income taxes due to abnormal write-offs, companies should draw attention to this and to the effect on net profit.

The majority report called for the inclusion in the income statement of a tax provision made up not only of the income tax payable but also of the current year's tax reduction applicable to future years; and the setting up in the balance sheet of a deferred credit headed "Accumulated Tax Reductions Applicable to Future Years." When normal depreciation in later years exceeds the depreciation allowed for tax purposes, this accumulated deferred credit can be brought into net profit to offset the higher tax payable.

This procedure has the great advantage that investors won't have to do a lot of extra calculating to figure out whether the net profit they see includes an amount which might be taken from them later.

It might be that all the amount set aside won't have to be used for future taxes, because in a rapidly expanding business, the addition of new facilities may increase the amount of the allowable write-offs for tax purposes, thus postponing the time when allowances for tax purposes fall below depreciation charges. Also, if future operations are unprofitable, tax liability may not require use of the accumulated tax reductions.

However, it's pointed out, chances are most companies will have to face up to higher taxes later if they accept high capital cost allowances now. The tax reduction resulting from these abnormal allowances is essentially only temporary.

Whatever method of reporting companies choose, it should be one which provides shareholders with all the material required to show how the depreciation and tax problem has been handled.

It's too much to hope, in view of the disagreements among accountants themselves, that any standard form can be counted on. But investors have a right to expect that the presentation be made as uncomplicated, and as free of pitfalls, as is possible.

Financial statements are still a mystery to many people, but a better standard of presenting periodic reports has helped make them understandable to a broadening investor group. This is no time to inflict on the non-accountant a new set of rules, complete with footnotes, to arrive at such a basic item as net profit.

* * *

Loblaw Subsidiary May Do $6 Mill. Financing

New financing in connection with a subsidiary of Loblaw Groceterias is understood to be under negotiation. The financing is said in financial circles to consist of $6 million 4½% first mortgage sinking fund bonds due Jan. 15, 1985, offered at 99 to yield 4.56%.

The subsidiary, called Supermarket Properties Ltd., was formed to acquire 17 Loblaw stores. It plans to lease the stores back to the parent company on a long-term basis.

This type of deal is similar to the method now commonly employed by the food chain for financing expansion. Normally the buildings are sold to insurance companies and leased back under a long-term contract.

B-A Plans New Montreal East $3 Million Unit

British American Oil Co. will build a $3 million catalytic reformer at its Montreal East refinery. The new unit, using platinum as a catalyst, will enable the refinery to increase still further the octane rating of gasolines.

The new "cat" reformer will process about 13,000 bbls. a day of straight run naphtha and this new production will be used as a high-octane blending agent in gasolines marketed by B-A.

The new installation, to be built by Lummus Co. of Canada, is scheduled for completion in late 1955. It will cost, together with B-A's offsite facilities, some $3 millions. Present daily crude oil throughput capacity at the company's Montreal East refinery is 45,000 bbls.

Montreal to Sell $35 Millions In U. S.

MONTREAL (Staff) — A new $35 million issue of City of Montreal serial debentures will be sold soon in the U. S. market. It will be the biggest single issue of the city since 1947.

Finance Director Lactance Roberge has been authorized to apply for S.E.C. registration. Interest rates will range from 2½% to 3⅞%, and the issue will mature 1956-74. Of the proceeds, $7.4 millions will be applied to local improvements, largely recoverable, while $27.6 millions is for public works.

Plan $8 Million Project, New Unit For Alaska Pine

Alaska Pine & Cellulose Ltd. will spend about $8 millions on its Port Alice facilities in British Columbia.

In addition, a silvichemical manufacturing will also be constructed to produce a new chemical bark extract now finding a market in the oil drilling industry.

The announcement was made by Clyde B. Morgan, new chairman of the B. C. firm and president of Rayonier Inc., the U. S. firm which has acquired control. He said the sizeable investment will be used to "increase the Port Alice mill's capacity as well as to make it a more flexible, versatile unit."

Engineering studies have been under way for some weeks at Port Alice. They are now complete, and the first of the new installations should be in the construction stage by the end of this week.

The new unit for the manufacture of the chemical bark extract, Rayflo, a recent Rayonier development, will be the first of its kind in Canada. The product will be marketed in Canadian oil fields, in South America, the Middle East, and probably in the U. S.

Rayflo is a silvichemical described as a polymeric polyphenol. It is a mud dispersant essential for lubricating the drilling bits, bringing cuttings up to the surface and packing the sides of the drill holes when a "blowout" occurs.

Imported Now

Reports from the oil industry say that Rayflo may replace the imported materials (such as South America's quebracho) which have been used up to now as mud dispersants.

The president said that Alaska Pine has sufficient quantities of the hemlock bark from which the product is made to satisfy the large tonnage requirements of the drilling industry.

Alaska Pine will participate in the production of new silvichemicals (the organic chemicals, other than cellulose, found in trees) as they are developed and become commercially feasible.

Rayonier acquired its 80,000 shares of Alaska Pine from the Koerner interests of Vancouver and Abitibi Power & Paper Co.

Abitibi received $9,838,281 for its 40,000 shares and still owns 10,000 shares of Alaska Pine. The agreement with Rayonier provides that the latter will have the right at any time up to Dec. 31, 1957, to purchase all or part of Abitibi's Alaska Pine shares and that, in 1957, Abitibi will have the right to call on Rayonier to purchase all or any part of the shares.

In either event, Abitibi can elect to have the purchase price in cash at $245.95 per share or in common stock of Rayonier at five shares for one of Alaska Pine.

In view of the sale of Alaska Pine shares, Abitibi decided to go ahead with the redemption of the outstanding 4¼% convertible debentures. They have been called for redemption Jan. 25, 1955, at $103.65.

Bank of Toronto Alters Dividend

Bank of Toronto has declared a quarterly dividend of 43⅓c a share, payable Feb. 1 to shareholders of record Jan. 15, 1955. Previous rate was 35c per quarter.

The new rate is in proper proportion to the dividend rate of $1.30 per share to be paid by Toronto-Dominion Bank, since four shares of the amalgamated bank will be given in exchange for three shares of Bank of Toronto.

Following this week's approval of the merger by shareholders of Bank of Toronto and Dominion Bank, the new Toronto-Dominion bank is expected to come into existence about Feb. 1.

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Price: $100 per share to yield 6%

30,000 shares
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(Without Nominal or Par Value)
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The Company

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(on completion of the present financing)

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6% Cumulative Redeemable Preferred Shares, Par Value $100	$1,000,000	$400,000
Common Shares, without Nominal or Par Value	200,000 shs.	126,500 shs.

We offer these securities as agents for Masters Smith & Company Limited subject to prior sale and change in price, if, as and when received by us and subject to the approval of all legal matters on our behalf by Messrs. Edison, Aird & Berlis, Toronto, and on behalf of the Company by Messrs. Fraser, Beatty, Tucker, McIntosh & Stewart, and David J. Walker, Esq., Q.C., Toronto.

A prospectus relating to each issue, copies of which have been filed under the Companies Act (Canada), will be furnished on request.

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Announcement is made by The Imperial Life Assurance Company of Canada that Neil P. Petersen and Renault St.-Laurent have been elected to the Board of Directors of the Company. Mr. Petersen is President of Acme Screw & Gear Ltd., John Bertram and Sons Co. Ltd., York Gears Ltd., and a director of a number of other Industrial firms. Mr. St.-Laurent is a senior partner in the law firm of St.-Laurent, Taschereau, Letourneau, Johnston, Cantin and Leahy and is also a member of the directorate of several companies.

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JIM: What's the smell of smoke in your office, Pete? Don't tell me you set your waste-basket alight?

PETE: No Jim — this was a deliberate fire! I burned the mortgage on my home — got the final clearance from the lawyer this morning. Good, eh?

JIM: But you only bought that house two years ago! It's none of my business, I know, but . . . how on earth did you pay off the mortgage in two years when you expected it would take twenty?

PETE: Here's the secret! I have a few hundred dollars which I invest for capital appreciation, which I safeguard by following CO-ORDINATOR'S Investment Advice. It's invaluable! On January 4th, 1954 they advised me to buy Goodyear Tire at $96.05. It went up to $175.00, and I sold on their advice. That's all, Jim — and you could do the same.

JIM: But that's a pretty expensive stock for me to buy. You must have a lot of money to buy a stock like that!

PETE: I haven't a lot of money, Jim — who has nowadays? CO-ORDINATOR showed me a simple way out of that difficulty — as they can for any other client. No, I'm not going to tell you a thing! You fill in the coupon below and start making some money too!

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MANAGED INVESTMENT

How To Make the Market Pay

Here's Review of Decade of Managed Investment

These reviews of the Post's two hypothetical accounts — MacNab and Compton, now entering their 11th year — suggest it pays to follow a well defined plan in putting your dollars to work.

Started in 1944 with $10,000 to invest each and conducted by investment experts according to well-defined principles, and according to the strict ground rules of the market itself:

—Compton's account is now worth $24,645 and provides an annual investment income of $1,225.75 at current returns.

—MacNab's account is valued today at $29,767; annual income is currently $1,278.75. Both accounts pay their own expenses.

Details of the operations of both accounts are given on page 14. Here are reports by the two investment counsellors.

Compton

When Joseph Compton's investment account was taken over by his present investment advisers, ten years ago, the main objective was, and still is, divided about equally between capital appreciation and income.

They have endeavored to increase his income year by year, partly through the reinvestment (on a small scale) of Compton's surplus investment income; partly by the shifting of investments from one enterprise or type of security to another, in response to changing conditions within companies, and in the pattern of Canadian industry as a whole.

Compton's rate of investment income has been increased during these ten years, as follows:

At Dec. 15	Annual Rate of Gross Income
1944	$ 393.75
1945	474.35
1946	524.85
1947	646.00
1948	801.83
1949	883.13
1950	933.45
1951	1,112.50
1952	1,151.00
1953	1,178.50
1954	1,225.75

It was agreed initially, between Compton and his advisers, that $300 per annum would be set aside for his personal expenses and investment management fees, etc. The balance of his investment income was to be retained in his account and invested.

In December, 1948, when his annual rate of income surpassed $800, it was arranged that $665 per annum should be set aside: $600 for personal expenses and $65 for management fees and safekeeping.

Three years later, in December, 1951, when his annual rate of income surpassed $1,100, another "new deal" was arranged with Mr. Compton. Thereafter $720 per annum was set aside for his personal expenses and $80 per annum for management fees and safekeeping: the remaining income to be retained in his account, and invested.

Thus his annual withdrawals for personal needs have been increased by 140%, while the cost of living in Canada, measured by the Consumer Price Index, has been rising by 56%.

The remainder of his investment income, after withdrawals (thus, available for investment), has increased from a rate of $93.75 annually (Dec., 1944) to $425.75 annually (Dec., 1954): or by more than 350%.

Some of the broad changes in Mr. Compton's investment portfolio during the past ten years may be seen in the following comparison between the distribution of his investments at selected dates:

	% of Principal Sum Dec. 15 1944	Dec. 15 1949	Dec. 15 1954
Govt. bonds	...	10.5	...
Preferred stocks	9.3	33.1	5.1
Common stocks	66.6	49.8	62.9
Mining stocks	17.5	10.2	29.3
Cash	6.6	0.4	2.7

In more detail, the comparisons look like this:

GROUP:	Dec. 15 1944 %	Dec. 15 1949 %	Dec. 15 1954 %
Govt. bonds	...	10.5	...
STOCKS:			
Construction	...	5.6	...
Merchandising	4.5	4.9	...
Foods	7.9	1.7	7.6
Textiles	...	13.6	5.0
Beverages	6.6	3.0	23.9
Steels	13.5	6.9	2.4
Oils	1.8	3.6	...
Fuel, Pwr. & Lt.	15.4	...	...
Pulp & Paper	9.0	17.6	20.3
Milling	1.7	4.0	...
Railways	3.0	0.9	3.3
Mining	17.5	10.2	29.3
Miscellaneous	12.5	11.1	5.5
Cash	6.6	0.4	2.7

Since late in 1952 when the signs of an impending business "recession" first became visible, the powers in Washington and Ottawa who make monetary policies, have wisely supported conditions of "easy money." Both the bond market and the stock market have therefore been bouyant indeed, remarkably so.

Here, in Canada, during the 12 months between Dec. 15, 1953, and Dec. 15, 1954, the DBS average of industrial common stocks rose by something like 35½%.

During the same period, quoted market value of Compton's account rose from $17,110 to $24,645: that is, by 44%. Even after allowance is made for the retention in his account, for investment, of about $400 during 1954, it is evident that the securities which he holds have increased in price appreciably faster, than have those of the average Canadian investor.

So long as conditions of "easy money" last (of course), most owners of stocks do benefit therefrom. Mr. Compton's experience has been better than average, partly because his own investment has been concentrated in the stocks of companies in the distilling industry, pulp and paper companies and mining companies.

But, we cannot expect any "bull market" to last indefinitely. The present "bull market" is now 15 months old, in Canada.

Necessarily, the powers-that-be must conclude some day that it is no longer safe to leave unchecked the present condition of "easy money."

The prudent investor therefore should consider what changes in his portfolio should be made, soon if not now, to safeguard him against the time (perhaps in 1955) when today's "bull market" will end.

During the month Nov. 16 to Dec. 15, 1954, Compton received investment income of $148.75. The monthly deduction of $80 for personal expenses and management fees left $68.75 to be transferred to the cash account.

MacNab

December 15, 1954, marked the tenth anniversary of my taking over the management of your investment account. It is well, therefore, to review what has occurred during these 10 years.

As the saying goes, "Hindsight is easier than foresight." With this in mind the principal objective in the management of your account was decided beforehand. Maximum income consistent with safety of principal was to be the dominant policy in the selection of securities.

Fortunately, during the past decade there has been a tremendous growth in the economic development of Canada. At the commencement of World War II, Canada was a vast country, under populated and with tremendous natural resources lacking capital for their development.

During the war both our manpower and our capital savings were mobilized to fight a war which, had we lost, would have enslaved all of our people. Canada emerged as a young industrial giant with tremendous untapped resources working in partnership with our allies, in the production of the munitions of war, as well as producing and equipping a great fighting force unsurpassed by any nation.

After peace was declared Canada Savings Bonds were sold to millions of small investors and the government was able to reduce the amount of public debt through large revenue surpluses.

A huge amount of capital was then seeking profitable investment in the shares of our Canadian corporations, resulting in an upsurge in our stock markets.

In addition some $8 billions has been invested in Canada during the postwar period by foreign investors, principally United States corporations and individuals.

As Canada's foreign trade grew and our favorable balance of trade improved our credit improved also. As a result our government bond prices improved and the yield on high-grade bonds declined forcing many investors to go into the stock market for higher dividend returns, as well as for capital gain.

I mention this because the policy adopted in your investment account, of investing in sound dividend-paying stocks as well as bonds, has coincided with a long-term upward trend in the market.

During the past two years, however, the market for speculative mining and oil stocks has been declining in an opposite trend from the "blue chip" industrials.

A long-term investment policy, to be successful, must take into consideration cyclical trends in industry, as well as individual developments from day to day.

A typical example is the oil industry, where the major oil companies with their vast resources of capital and technical staffs are the ones which are continuing to grow, while the small independent companies have neither new capital for development nor funds to carry large holdings of unproductive mineral leases.

There are, however, always opportunities for the alert investor who will take the trouble to investigate new industries and growth situations. The relative degree of risk to be assumed must of course be dictated by the individual circumstances of the investor.

There are always growth companies in a dynamic young country like Canada, provided we continue to elect a government which will protect and promote free enterprise such as we have had in Canada in our Federal Government for many years.

A statement of your account showing market valuation as at Dec. 15, 1954, shows a capital gain in the period 1944-1954 of 197.7% or $19,767 on the $10,000 originally invested.

The usual December amount of $45 has been deducted for management expenses and safekeeping.

As a result of extra dividends paid or declared during the past quarter your anticipated annual income has been increased from $1.235.25 to $1,278.75.

International Nickel declared an extra dividend of 90c plus the regular $2 dividend. Powell River declared extra dividends during the year totaling 60c in addition to the regular $1 dividend, and Hiram Walker declared an extra dividend of $1 in addition to the regular $3. This represents a yield at current dividend rates of 12.78% on your original investment of $10,000 or approximately 4% at the current market value of $29,809.20, as at Dec. 15, 1954.

Royal Bank

Assets of the Royal Bank of Canada stood at an all-time high of $3,026,895,844 at Nov. 30, 1954. This is the first time that assets of a Canadian chartered bank have exceeded $3 billions.

Other balance sheet items which showed substantial increases over the previous fiscal year-end were loans, deposits, reserve and capital stock.

Net profit of $9,558,045 was 10.7% higher than previous fiscal year's net of $8,635,136. Provision for depreciation was higher at $2,079,466 ($1,365,472 the year before).

After dividend distribution of $5,569,345 ($4.9 millions), surplus for the year was $3,988,700 ($3,735,136).

INCOME ACCOUNT

Years Ended Nov. 30:	1954	1953
Net earnings	$20,913,511	$18,952,608
Less: Res. for taxes	9,276,000	8,952,000
Depreciation	2,079,466	1,365,472
Net profit	9,558,045	8,635,136
Less: Divds.	5,569,345	4,900,000
Surplus for year	3,988,700	3,735,136
Earnings per Share and Dividend Record:		
Earned	$2.29	$2.47
Paid	1.421 + 0.10	1.20 + 0.20

At Nov. 30, 1954, Royal Bank had nearly $22.7 millions outstanding in mortgage loans under the provisions of NHA 1954. Other loans totaled $1,188 millions, an increase of $43.9 millions over the total at Nov. 30, 1953.

Call and short loans were $7.1 millions higher at $156.4 millions.

Liquid assets at fiscal year-end totaled $1,881.9 millions, equivalent to 65.34% of the bank's public liabilities. Holdings of Dominion and provincial government securities were valued at $970 millions.

Rest fund was increased to $103,619,726 at fiscal year end, from $70 millions a year earlier. The increase included transfers of $4 millions from undivided profits and $16 millions from inner reserves, and a premium of $13,619,726 realized on sale of 700,000 additional shares of capital stock.

Total capital funds at Nov. 30, 1954, were $146,933,664, a new high in Canadian banking. When installment subscriptions for the new issue are fully paid up, capital funds will total $147,504,075.

Annual meeting is Jan. 13.

CONDENSED STATEMENT

As at Nov. 30:	1954	1953
Cash on hand	$467,429,065	$287,343,620
Dep. with Bk. of Can		164,109,409
Dep. with other banks		149,467,083
Call & short loans	156,395,203	149,280,474
Dom. & prov. secs.	969,838,546	848,025,698
Other secur.*	288,138,034	225,417,323
Tot. quick as.	1,881,900,848	1,823,643,607
Loans & disc.	1,031,626,844	994,865,750
Bk. premises	24,194,181	20,871,992
Mortgages	22,672,390	......
Letters of credit	59,349,565	51,213,787
Other assets	7,152,016	5,261,053
Total assets	3,026,895,844	2,895,856,189
Circulation	......	83,335
Dom. & prov. deps.	1,671,548,149	172,357,320
Due to banks		86,977,446
Pub. nonint. bear dep.		1,240,424,366
Pub. int. bear dep.	♦1,126,000,000	1,234,884,844
Letters of credit	59,349,565	51,213,787
Other liabilities	23,064,466	1,615,815
Total liabs. to public	2,879,962,180	2,787,537,013
Dividends	......	1,783,801
Reserve	103,619,726	70,000,000
Capital	41,809,863	35,000,000
Surplus†	1,504,075	1,515,375
Tot. liab. to sh.	146,933,664	108,299,176

*At not exceeding market value.
†After transferring to reserve fund $4,000,000 in 1954 and $3,000,000 in 1953.
♦Personal savings deposits.

New Business Paper Names Ad Manager

Ronald A. Smith has been appointed advertising manager of the new Maclean-Hunter business paper, Design Engineering. He moved from Montreal to Toronto in 1949 as manager of Kin, national publication of the Association of Kinsmen Clubs, and in 1952 became business and advertising manager of Canadian Variety Merchandising.

Burroughs Wellcome (Canada) is Organized

Wellcome Foundation Ltd., who for many years have operated in Canada under the name of Burroughs Wellcome & Co., have formed a subsidiary—Burroughs Wellcome & Co. (Canada) Ltd. H. J. Brown, formerly general manager of the branch, has been appointed president and general manager.

Among the company's distinctive brand names and insignia, the "B. W. & Co." unicorn and the brand name "Tabloid" are especially known in connection with the company's medicinal products.

CANADIAN BANK OF COMMERCE. The "rights" of the bank were traded on a "regular" basis on the Montreal Stock Exchange on Dec. 17, 1954.

keeping Canadian OIL on the MAP
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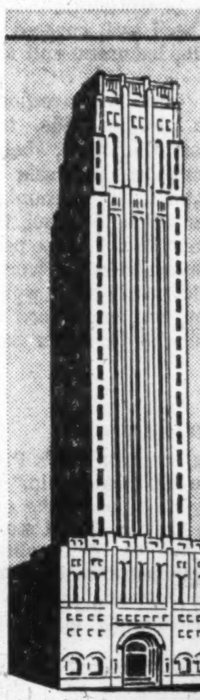


Canadian Bank of Commerce Warrants

The "warrants" to purchase additional shares of The Canadian Bank of Commerce now in the hands of shareholders are valuable and should be exercised or sold before their expiry date, March 15, 1955.

An interesting feature of the "warrants" is the plan whereby shares may be paid for over a ten-month period.

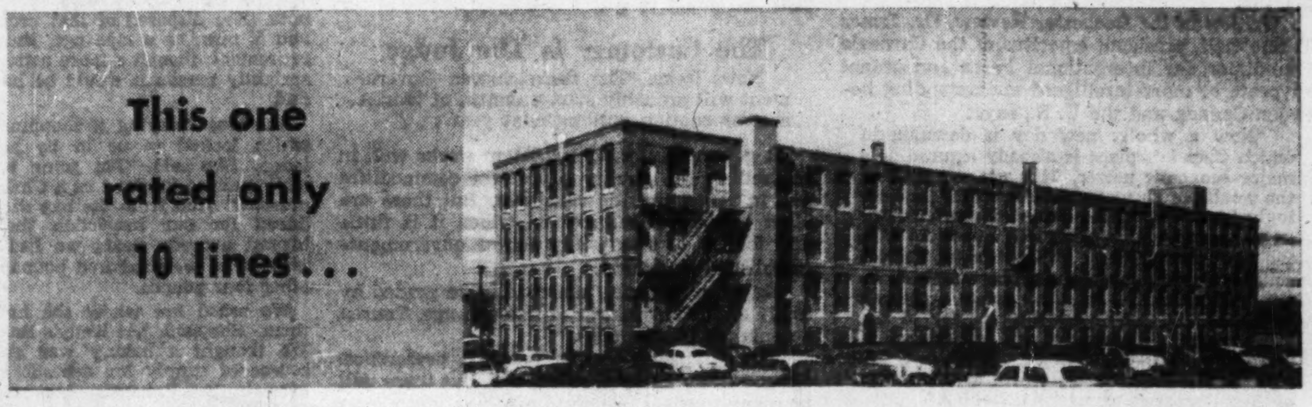
Through "warrants" a timely opportunity exists to acquire shares in this leading Canadian bank.

Call or write our office for complete details.

MONTREAL, TORONTO, WINNIPEG, CALGARY, EDMONTON, VANCOUVER
VICTORIA, LETHBRIDGE, MEDICINE HAT, REGINA, MOOSE JAW
SWIFT CURRENT, SASKATOON, BRANDON, PORTAGE LA PRAIRIE
KENORA, KINGSTON, GALT, CHATHAM, KITCHENER, WINDSOR

JAMES RICHARDSON & SONS
Established 1857
Investment Dealers

THIS SHOE FACTORY FIRE MADE THE FRONT PAGE!



Both fires started small, as most fires do in factories, warehouses, department stores, hotels, and hospitals. Yet the fire pictured at the top was front-page news: shoe factory gutted by flames . . . building totally destroyed . . . a loss estimated at $500,000 . . .

While at the other shoe plant, employees returned to work without even knowing there had been an early morning fire. A Grinnell Sprinkler System in this shoe factory put out the blaze before it could spread.

Grinnell Sprinklers stop fire at its source, wherever and whenever it strikes, night or day, with automatic certainty. 77 years experience proves this. And now, with the new Grinnell Automatic *Spray* Sprinklers, you get even greater protection against fire. *Less water puts out more fire.*

When you consider the many losses you can suffer in a fire . . . buildings, equipment, records, customers, time, skilled personnel, human lives . . . the cost of a Grinnell Sprinkler System is a small price to pay for around-the-clock fire protection. If you have fire insurance, you're probably paying for Grinnell Protection anyway in higher insurance premiums . . . so *why not have it?* Send for the Grinnell Automatic Spray Sprinkler Booklet. Grinnell Company of Canada, Limited — Edmonton, Montreal, Toronto, Vancouver.

GRINNELL
PROTECTION AGAINST EVERY FIRE HAZARD

Manufacturing, Engineering and Installation of Automatic Sprinklers Since 1878

The Editorial Page

A Healthy Switch

There's been a big change in the personnel directing Western Canada's oil industry, says J. Gerald Godsoe. Smoothly and speedily key jobs are being taken over by Canadians or the Americans still holding them are becoming permanent citizens of this country, the vice-president of B. A. Oil told a Toronto audience last week.

He described the transition in this way:

"It used to be said — and but two years ago — that if someone were to strike up the "Star Spangled Banner" in the lobby of the Palliser Hotel in Calgary any Friday evening, even the two Canadians present would stand up. But there has been a remarkable transition in the oil industry since this quip became current . . .

"It is common now in traveling about the pipeline construction jobs, through the oil fields, and in the seismograph survey camps, to find Canadians holding responsible positions, which four or five years ago were filled almost exclusively by United States citizens with their greater experience. The opportunities for Canadians to engage in valuable contributions to the petroleum industry of this country are expanding every day, so that not only should we be able to induce many of the graduates of our universities to ignore the old appeal of jobs across the border, but young men of the United States with the proper training are now looking to the Canadian oil industry as a field in which they can progress with the full and great development that lies ahead."

Canada will be glad to have this assurance from Mr. Godsoe. In the earlier stages of Western oil development, as he points out, it was to be expected that the bulk of the top men would be largely drawn from the United States. Americans had put up most of the money and to some extent there was a shortage of experienced and trained men in Canada. But American interests were smart to switch to Canadian talent or insist that their executives operating in this country become Canadians.

Foreign capital and foreign brains are welcome in Canada. This is a big country and we have needed and will continue to need a lot of outside help. But if we are to retain our independence and national self respect, control must remain with Canadians.

Beyond Grandma's Dreams

Across Canada this Christmas, the cost of loading the table with turkey and the traditional trimmings will be a lot higher than it was in grandma's day.

The producers, though, will not be getting proportionately higher prices. Spokesmen from the usual quarters use this as the basis for clamoring that the consumer is being "gouged" by "unscrupulous middlemen."

From 1939 to 1953 the food price index went up from 100 to 112, marketing costs went up to 116, while farm share of the consumer dropped five points.

Sure the middleman is taking his cut. But he's doing so because the consumer wants him to. The processor is performing a service the consumer demands.

Take the case of the Christmas turkey. Grandmother was resigned to buying an unplucked, uncleaned bird and performing the messy operations on it herself. Today's housewife insists on an eviscerated, Cellophane-clad model all ready for the automatic oven—and she's willing to pay a processor to deliver it in that condition.

And Grandmother was willing to toil in summer heat canning peas that could be used as Christmas fare. Today, milady balks at this. She has the income to hire people to freeze and package and store those summer peas until she transfers them to her own refrigerator a few days before Christmas.

There is nothing stopping her from plucking her own turkey or canning her own peas. She just doesn't choose to. Obviously the people who do this for her must be paid.

Gougers? No, just people meeting the demand for services Grandma never dreamed of.

Names Mean Something

Kingston has named its electoral wards instead of numbering them. Amid the hundreds of Ward 1s and Ward 5s sprinkled through recent municipal election results, the old city's designations of Frontenac Ward, Rideau Ward and Cataraqui Ward are quite refreshing.

Traditionally federal and provincial parliamentary ridings have been named. Wouldn't "the honorable member from Riding 267" sound pretty dull?

Names have a place and value. The air forces used to number their planes. How much more meaningful are today's Shooting Stars, Sabres, Cougars and Javelins than a jumble of Cs, Bs, Fs and digits. Names stick. They paint a picture.

Canadian cities, by naming their wards, have an opportunity to mark events in their history or geography or honor distinguished sons.

Dawn Of A New Day

Uncounted thousands of words have been written in recent years by Canadians extolling the importance of this country and presenting a glowing picture of its future.

There has been some feeling that this increasing Canadian stature has not been appreciated in the United States, that Americans know little about Canadians—the people, the climate or the geography.

Amused scorn has been directed at the citizen of Albuquerque who could not pronounce Saskatchewan or the Philadelphian who traveled to Muskoka in June laden with skis and parka.

Whether or not there ever was such misconception on a broad scale, the recent words of an eminent American indicate definite appreciation of the role this country is capable of playing.

Writing in the Rochester Review, Dr. James T. Shotwell, president emeritus of the Carnegie Foundation for International Peace and ardent advocate of more intelligent understanding between Canada and the U. S., says:

> "Now a wholly new day is dawning in which Canada's place is already assured as a major economic power. It is not merely that the wealth of its material resources is increasingly important to the United States industry as our own supplies grow less, but there is in the great water-ways of Canada an endless source of power. The contrast between extractive industries that tend to deplete a nation's resources and the everlasting power of the great rivers is a matter of first importance in measuring the resources of Canada and the problems of their control, which by the nature of things, must be primarily Canadian."

These are heartening and welcome words for Canadians.

Cats Must Roam

The battle of the Ottawa Department of Public Works against Perengrine and Poppet, the parliamentary cats, has been revealed by the Winnipeg Free Press.

It appears that the two cats have for some years made their home under the parliamentary steps, where they are visited from time to time by a wandering tom called Tobermory.

The Department of Public Works has made several attempts to dislodge the cats, only to be opposed with great bitterness by a number of interested parties, including the building's charwomen, who feed and pet the cats.

Now, the two cats and the tom have been caught in the toils of bureaucracy, and their tenure of office as parliamentary pets has come to a wretched end.

This struggle of the official against the feline world calls to mind the observations on the nature of cats once made by Adlai Stevenson, when, as governor of Illinois, he rejected "An Act to Provide Protection to Insectivorous Birds by Restraining Cats."

"The problem of cat versus bird is as old as time. If we attempt to resolve it by legislation who knows but what we may be called upon to take sides as well in the age-old problems of dog versus cat, bird versus bird, or even bird versus worm. In my opinion, local governing bodies in Illinois already have enough to do without trying to control feline delinquency."

Christmas and Jobs

Christmas wouldn't be Christmas without statements from public figures deploring (1) the commercialization of Christmas (2) Santa Claus and (3) the omnipresence of Christmas carols.

All these topics have been well covered in recent weeks by clergymen, lecturers, and letters to the editor.

This sort of thing can be overdone, of course, but there is another side, too. The commercialization of Christmas, being translated, means the purchase and sale of Christmas gifts and decorations. In this country, at least, this process does much to offset the seasonal slump in employment which is the penalty of the Canadian winter. In other words, Christmas provides jobs to people who would otherwise not have them, and puts food in cupboards that would otherwise be rather bare at this time of year.

We can't deplore that.

"One Big Partnership"

Government in Canada, says Ontario's Premier Frost, should be "one big partnership." In a Lindsay speech recently he stressed the excellent teamwork between provincial and municipal authorities which led to Metropolitan Toronto. The same sort of co-operative approach to mutual problems by federal and provincial governments was, he said, necessary in the development of Canada.

Premier Frost is right. Moreover, in his relations with Ottawa he is a man who practices what he preaches. Unfortunately that is much more than can be said for some others.

There are now and there will be in future an increasing number of problems which cannot well be dealt with by one level of government alone. After all, each level is serving the needs of the same people.

Which Way Taxes?

Two of every nine Canadians receive all or part of their income from the Federal Government. They pocket almost $2 billions every year or about $5 millions daily.

There have been millions of words written to analyze and predict the economic, social and political effects of this giant payoff. A popular view is that, whatever the disadvantages, the huge federal payments assure a stronger and more consistent consumer demand than would otherwise be the case, because virtually all of this money can be depended upon to go into circulation—to be spent— at once.

The money may go to the growing army of federal employees; to family allowance recipients; to members of the armed forces; to pensioners. But in almost every case it goes to someone who will spend all or nearly all of it.

There are many who don't like all this share-the-wealth, but for one reason or another the majority love sharing the wealth. We give you one guess as to which way—up or down—the bills are going to go.

The Customer Is The Judge

News item: "The Saskatchewan Government will probably start a system of tourist accommodation grading next year . . ."

A government grading system works well in controlling the quality of certain commodities and in protecting the consumer. But there are other goods and services on which it is futile and foolish to stamp any set of government-established standards.

Eggs, for instance, can readily be graded by easily defined standards of size and age. Tourist accommodation cannot.

The difference lies in personal preference. No one wants to eat a rotten egg. But there will be many tourists willing to overlook worn spots in the carpet or chips in the furniture if the price is right or the fishing good.

There must be minimum standards of sanitation in such establishments, certainly. But most provinces have those now. Another set of laws isn't likely to improve the situation, and it could confuse it.

The lag in tourist business may lie behind this increased interest in the state of accommodation. Obviously one way of attracting more tourists is to improve our hotels and motels.

Periodic government inspection, however, isn't likely to make the meals any more attractive or the motorcourt more inviting to the traveler.

The customer must be the judge. If the proprietor makes a real effort to please his guests—if he brews better coffee or provides a softer mattress—they and their friends will return.

We doubt that even the CCF government of Saskatchewan is wise enough to anticipate individual tastes of all the tourists who vacation in that province.

Napier Moore's

Scratch Pad

LAST SUNDAY, Robert Albury, of the Bahamian island of New Providence, was strolling along the sands of Cable Beach — which is close to our present abode — when he came across a sealed Cognac bottle left stranded by the ebbing tide. Inside there was a piece of green paper. Mr. Albury unsealed the bottle and extracted a note. The note did not say, "Whoever finds this bottle will find the brandy all gone." It read, "Write me. F. Courage, 70 Gloucester Street, Toronto, Ontario, Canada. And it was dated 1953.

* * *

WE NORTHERNERS are always being surprised by the age of things in the Bahamas, though there really isn't any reason for surprise. After all, it was on San Salvador that Columbus, in 1492, first set foot in the New World. Incidentally, the original natives of that outer island, the Lucayans, called it Guanahani. Columbus rechristened it San Salvador. Locally, alas, it is known as Watlings Island in honor of a notorious bucaneer who made his base there in the 18th century. But we wander. We were surprised to learn that St. Andrew's Presbyterian Kirk, in Nassau, is 144 years old. And on the day that the aforesaid Mr. Albury received his bottle-mail from Toronto, we attended the Kirk's 144th anniversary service, the special preacher being the Very Reverend J. B. Skene, D.D., former Moderator of the Presbyterian Church of Canada, who had come down for that event: It was a first-rate sermon, and we enjoyed his story of a visit he had paid last year to Ireland. In a small village, one of the doctor's party stopped to ask a native which was the way to Dublin. The villager thought deeply, scratched his head, and said, "Faith, if I was going to Dublin I wouldn't start from here!"

* * *

WE HAD MET Dr. Skene the previous evening at a social gathering, and it was like Old Home Week. For, in 1942, he had introduced us when we talked to the Canadian Club in Vancouver, and we share many friends in all parts of Canada. Also present were Rev. Edward Bragg, the Kirk's regular minister, who came here from Canada; Dean Ellis, of Nassau's Anglican Cathedral, who hails from Halifax.

We invited Dr. Skene and the Braggs out to the Moore's house an evening or two later. We explained that we had the painters in and that the place might be in something of a turmoil. As it turned out, we were much too optimistic. When the Cloth arrived there was only one room which wasn't either sticky with wet paint or jam-packed with stuff moved out of the painters' way. That was the bathroom. And there it was, with cushions placed on the edge of the tub and on other seating accommodation, that we started our small party, to the huge enjoyment of the Doctor of Divinity. Frantic offstage effort got the living room sufficiently clear to enable us to move in there a few minutes later.

* * *

OUR TORONTO PAPERS having failed to reach us for two weeks, it was from Dr. Skene that we learned of the death of B. K. Sandwell. We first met B.-K. 40 years ago. We knew him as a newspaper man in Montreal; as a university professor at McGill and Queen's; as editor of Saturday Night, and as a Post colleague. We knew him as a gifted speaker, with a rich sense of humor. Above all, we knew him as a close friend and a Good Companion. And while words are our profession, we find them inadequate to express our loss. There has gone from all of us a rare character, a fine literary skill, a discerning mind, a joyous chuckle, and a great Canadian.

* * *

THIS MORNING, outside the post office, we ran into Mary Moseley. We first met Miss Moseley many years ago at an Imperial Press Conference in London. She was then the owner and editor of the Nassau Guardian, and was a newspaperwoman of some note. She disposed of that property, and is now, at a ripe age; living in retirement, though a more active and sprightly person it would be hard to find.

She was carrying a shopping bag which looked to us to be heavily laden. She said, "I'm going to airmail these to England as a Christmas present." And from the bag she produced for our inspection the two biggest avocado pears we had ever seen. One weighed five pounds; the other four pounds.

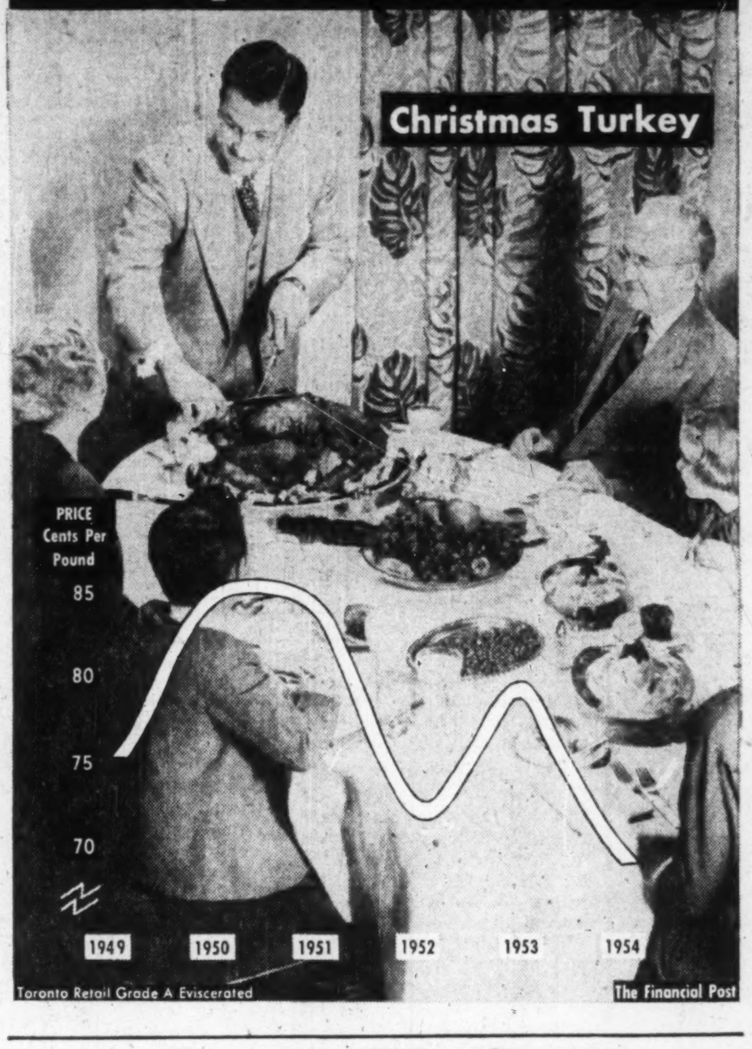
We asked her where she had got them. She said, "At Kelly's Bakery." We thought a bakery was an odd source of supply for avocado pears, even in the Bahamas, and said so. Miss Moseley explained that Baker Kelly owned a farm on the island, on which there was an avocado pear tree bowed down by whoppers such as these.

Now so far as we are concerned, we can take an avocado or leave it alone. But Mrs. We has a passion for avocados. Forthwith we sped to Kelly's Bakery. We managed to get a single pear. It is 9 inches long, measures 16 inches round its equator, and weighs exactly four pounds.

* * *

WITH OUR OWN WINTER GARDEN in mind, we have been perusing a catalogue put out by the Hope Botanic Gardens in Jamaica. We are fascinated by four items. Albizzia Lebbek (Woman's Tongue Tree); Cassia Fistula (Purging Cassia); Moringa Oleifera (Horse Raddish Tree) and Pithecolobium Unguis-xati, otherwise known as "Bread and Cheese."

Cheaper Drumsticks

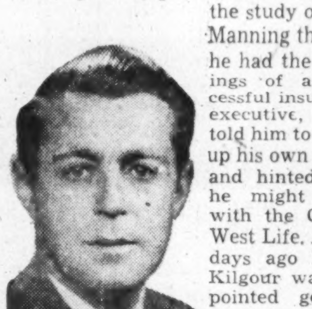


Post Scripts

Great West's Kilgour

Twenty-one years ago H. W. Manning, now vice-president and general manager of the Great-West Life Assurance Co. was scouting for big league prospects in the insurance business. In course of his surveys he contacted David Eckford Kilgour, then 21 years old and just out of the University of Manitoba.

Young Kilgour thought he had enough academic education and was resisting family persuasion to continue the study of law. Manning thought he had the makings of a successful insurance executive, but told him to make up his own mind, and hinted that he might start with the Great-West Life. A few days ago David Kilgour was appointed general manager.



MR. KILGOUR

An executive officer since his appointment as secretary in 1943, Kilgour until his new promotion was assistant general manager and director of agencies. He was born at Brandon the day after Christmas in 1912. His father, J. F. Kilgour, one of his city's leading lawyers, was latterly a judge on the then Court of King's Bench. When he was appointed he had hopes his son might succeed him as one of the leaders of the Western Manitoba Bar.

Young Kilgour had plans of his own. The day after the university convocation of 1933 he was taken on the agency staff of the Great-West Life. In 1935 he was made an inspector of agencies, was promoted as agency assistant in 1941 and secretary of the company in 1943. In 1946 he returned to the sales division as superintendent of agencies.

In 1950 when the company's field organization and office operations were expanding to take care of increasing business Kilgour was appointed assistant general manager and director of agencies.

In November at its annual meeting in Chicago he was elected a director of the Life Insurance Agency Management Association for a three-year term. The Association has 237 member companies in the United States, Canada, and 13 other countries and functions as a general clearing house for sales management ideas and various phases of insurance research. Kilgour is also a past chairman of the Agency Officers' section of the Canadian Life Insurance Officers' Association.

In community work David Kilgour's chief interest is the Winnipeg General Hospital of which he is a director. He spends a good deal of the recreation time available to him with rod, gun and sail. At his summer home on the Lake of the Woods he has a 16-ft. sloop rigged sailing boat which he considers the flagship of his fleet which his 16-year-old daughter and his two sons 12 and nine years of age, can handle with nearly as much skill as their father. He is a Past Commodore of the Royal Lake of the Woods Yacht Club.

Public Health Guardian

Twenty-odd years ago when the country's economic structure was shaky in depression chaos a group of public works engineers, chiefly in Toronto and Montreal, figured that when the thing was over there would be an upsurge of urban population, particularly in big cities. Their chief concern which was also that of public health authorities was the problem of sewage and sanitation. Forty-three of them got together and organized the Canadian Institute of Sewage and Sanitation.

MR. BUBBIS

At its recent 21st annual convention in Montreal Nathan S. Bubbis of Winnipeg was elected president. Bubbis is general manager of the Greater Winnipeg Water and Sanitary District responsible for maintenance and operation of the 97-mile aqueduct which brings the water supply for metropolitan Winnipeg from Shoal Lake, 23 flood pumping stations installed for protection of Winnipeg against floods such as occurred in 1950, and 20-odd miles of intercepting sewers, the latter primarily the responsibility of the Sanitary District.

Before he was a teen-ager Bubbis had vague ideas of making himself a builder or engineer. They found expression in his loiterings around construction jobs, a habit which often worried his family. Either he fell into an excavation or climbed up on the roof but his parents usually knew where to look for him. If there was a construction job in the neighborhood, big or small, that was where they usually found him.

Born in Philadelphia where his father ran a wholesale millinery business, the family came to Winnipeg in 1920 when he was seven. After the usual time in grade and high school he registered in the engineering course at the University of Manitoba. He had to work in the holiday periods to help earn tuition money and always picked one of the construction trades in which work was the slackest. One summer he worked as a bricklayer's helper at one dollar for a nine-hour day. He considered he was in the money when drawing 35 cents an hour.

He got his degree as a civil engineer in 1934 about the time the Canadian Institute of Sewage and Sanitation was getting started. In the 20 years since he has been with one employer, the City of Winnipeg, in whose engineering department he started as a pipeline inspector a few weeks after his graduation.

His interests have never varied from what they were when he was a lad. They are still in engineering, which explains why most of his spare hours are given to work of professional societies. He is a past president of the Western Canada Water and Sewage Conference. Last year he was honored with its H. C. Lindsten Memorial Award given for outstanding service to the organization.

Stop Me If . .

A young bride of three months complained to her relatives about her husband's continued drinking habits.

"If you knew he drank, why did you marry him?" she was asked.

"I didn't know he drank," the girl replied, "until one night he came home sober!"

* * *

Two men at a country fair approached a shooting range, with the familiar row of little white balls bobbing up and down on a series of water jets. One paid for and took his three shots without hitting anything. Nettled, he tried again and again, without success.

At last his friend said: "Let's have a go." He took one shot and all the balls dropped together.

As they walked away, the unsuccessful one said: "Never seen anything like it. How on earth did you manage it—the whole lot with one shot?"

"Simple," replied his friend. "I took a pot shot at the fellow working the water pump and scared the daylight out of him!"

* * *

A millionaire was showing a friend around his new "push-button" home. "Now I'll show you the best of the lot," said the millionaire. "After a night out, I sometimes feel I would like to step into a nice hot bath right here without the trouble of going into the bathroom. I just press this button here—"

He pressed the button and in rolled a bathtub, full of nice hot water—and his wife!

What Others Are Saying

Editorial of the Week

Education or Waste

London Free Press

Some peculiar ideas have grown out of the beliefs of democracy. From the quite proper feeling that all children have a right to be educated has come the fallacious belief that all are equally entitled to the ultimate rewards of education. For some this is a high school diploma, for others it is a university degree.

If education is preparation for life, as it is supposed to be, what kind of preparation is it that makes classes as easy as possible, neglects discipline and promotes the pupil simply because he has spent the required number of hours in the classroom?

Education which has deteriorated to the lowest common denominator is not education at all. It may be the easy way to empty the schools for next year's crop, but the products of such a system represent a colossal waste of time and money, a waste for which we shall pay a heavy price.

Other People's Views

IT SEEMS INCREDIBLE that the Ontario Hurricane Relief Fund should have to recruit relief specialists from the United States, states the **Toronto Globe and Mail.**

"If welfare is considered an important function in disaster relief, should not the Canadian Red Cross be prepared to fulfill that function? . . . And what of the other welfare agencies? With 68 Red Feather agencies and some 30 others in the Toronto area alone, it seems amazing that sufficient welfare workers could not be found in this community—let alone this country—to help complete the rehabilitation process. Surely, this situation calls for a searching examination of our numerous social agencies."

BIG REASON behind the do-it-yourself movement is a simple one, thinks the **Victoria Colonist.** "Fact of the matter is that with labor costs as high as they are these days, for most householders it is a case of do-it-yourself or it won't get done at all. If people had to hire union labor for the hundred-and-one jobs needing to be done around home, few of them would have enough money left over to buy groceries."

TORONTO MAYORS, plagued with entertainment bills may get some unexpected help. Suggests the **Peterborough Examiner:** "Perhaps other Ontario municipalities—Peterborough for one—ought to chip in a few dollars every year to help Toronto with her entertainment bills. After all the entertainment which Toronto's civic circus gives us, day in and day out—is beyond price."

SUBURBANITES can't expect to have it both ways, declares the **Calgary Albertan.** "These people went to the suburbs to escape Calgary's tax rate and building restrictions, and now they want Calgary to reach out and take them in and make up the deficiencies in their services. Calgary can't afford that."

THERE'S MUCH EDUCATION to be acquired outside the classroom, points out the **Western Producer (Saskatoon).** "The old apprenticeship system did and still can provide many young people whose compulsory attendance at school is often a waste of time, and worse, with the kind of education they most need and which will do them and the community the most good."

THERE'S NO USE pretending to be other than Canadians, thinks the **Vancouver Sun.** "But let's be our best selves. Good food, courteous treatment. Good roads—don't let us forget them—and reasonable prices. These are things we can offer our friends across the border without trying. And they should prove our best advertisement if we only knew it."

IF YOU DON'T GO FORWARD you are liable to go back, warns the **Wingham (Ont.) Advance-Times.** "There's nothing like the infusion of some new industrial blood to make a town prosperous."

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Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January, 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.

Imperial Oil

Imperial Oil up about $4 a share in the past three months to $38¼, at which level it's selling at 23.8 times 1953 earnings and yielding 2.35%. Still just 32% above UV level with 65% rise possible before reaching OV level. Price range in '54, $40-$28.

Nine months' earnings equal to $1.38 ($1.18 in comparable '53 period), slightly more than was earned in entire year in 1952.

Some products' prices reduced in second half in some areas, and earnings in third quarter actually down slightly ($15,145,000 vs. $15,318,000). Percentage increase in earnings for full year over '53 probably won't be quite as great as in nine months, due to this leveling off in second half.

Physical volume of sales for full year expected to be up slightly over '53.

Further increase in business looked for in '55, in all operations. No letup in level of capital expenditures either, with big programs on at Halifax (new $30 million refinery) and at Edmonton (new $14 million lubricating oil plant).

Noranda

Noranda Mines has moved up to around $82, 37% above UV level, leaving it a 26% rise away from OV level. With resumption of $1 quarterly dividend rate, paid Dec. 15, indicated yield back up to 4.88% per annum. Price range this year $83-$58⅞.

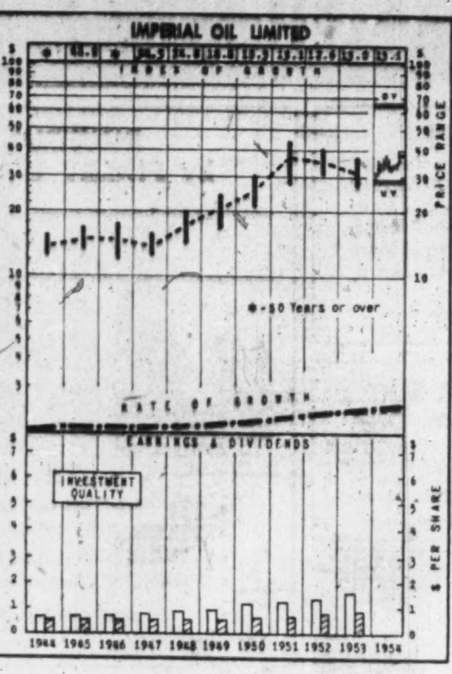
Nine months' earnings down to $6,822,000 ($9,422,000 in comparable '53 period) but third quarter well ahead of year-ago period ($3,481,000 vs. $2,492,000). Drop in earnings in early part of year due to lack of products to sell toward end of and after strike.

Big Gaspé Copper Mines project (Noranda owns 95.5% of the stock) delayed in getting under way, due to power line troubles. Probably won't have hydro power from St. Lawrence North Shore until spring now.

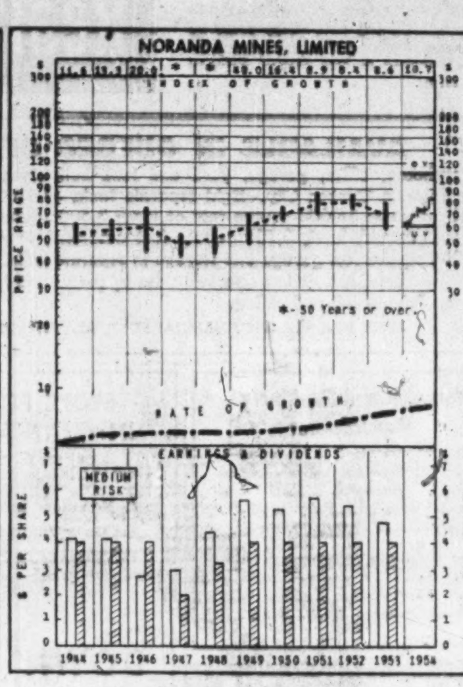
Mine has largest initial capacity of any new mining producer in Canada, can mill 6,500 tons a day. Mill constructed as two units, permitting units to be brought into production one at a time. Temporary power arrangements likely to be made until North Shore power finally comes through. This will allow only limited operation in first half of '55.

Preliminary work outlined 67 million tons of ore averaging 1.3% copper. Project's cost estimated at $40 millions.

Copper prices have been firm and prospects appear good for continuation. Subsidiaries back at normal levels. Fourth-quarter earnings will be up above fourth quarter year-ago levels when strike was on and net only $1.4 millions. So if last three months approach third quarter level, full year results shouldn't be far off those of '53.



WHY SELECTED: Operating as the largest and most fully integrated oil company in this country, Imperial has the outstanding record for oil discovery in Western Canada. Reserves should continue to expand as active exploration progressively develops the company's choice of 25 million acres (5/6 of an acre per share) in the Canadian oil basin.



WHY SELECTED: One of Canada's most important mining enterprises, Noranda is third in copper production, fourth in gold output. A large portfolio of investments is maintained. Company, together with subsidiary and associated companies, holds 44.5% interest in Kerr-Addison, leading gold producer. Diversification of Noranda's interests tends to moderate cyclical changes in earnings.

How To Read the Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale, nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years, and in most instances the trend of dividend payments.

Background and principles behind the selections by Nestor were discussed in a special article in The Financial Post, Jan 10, 1953. A limited number of reprints are available on request.

Shareholders Vote 90% For Bank Merger

Amalgamation of the Bank of Toronto and the Dominion Bank was approved overwhelmingly by shareholders of both banks at separate meetings this week. Affirmative votes were received representing approximately 90% of each bank's outstanding shares.

The Toronto-Dominion Bank (The Post, Nov. 6) will come into existence when the Governor in Council approves the banks' application for permission to amalgamate. Since notice of intention to apply to the Governor in Council must be published for four weeks, the amalgamation could not take place before Feb. 1. It will be retroactive to Nov. 1, 1954.

"The whole trend of the economy in Canada as elsewhere is toward size in all forms of business," President B. S. Vanstone told Bank of Toronto shareholders. "As our country grows, so must the banks grow with it to function and compete effectively."

In trying to continue its growth alone, the bank would be severely handicapped by the competition of the larger institutions, said Mr. Vanstone.

"Amalgamation will mean greater, not less, competition in the Canadian banking field," said President Robert Rae at the Dominion Bank annual meeting. "We will be able to go after business which we found it difficult to get in the past because of the superior competitive position of the larger banks."

Dominion Bank has made progress in its endeavors to keep pace with the growth of the economy and to increase its share of the total banking business through extension of its branch system, Mr. Rae said. "But this is a slow and difficult way of achieving our objective."

453 Branches

Toronto-Dominion will commence business with 453 branches, 257 being former Bank of Toronto branches. No branches will be closed immediately, and only a small number eventually.

"Savings in operating costs will be achieved by the amalgamation," said Mr. Rae. "This applies particularly at head office, executive and administrative levels. There will also be some reduction in costs where duplication of branches exists."

"The amalgamation does not involve any change in policy," said Dominion Bank's General Manager A. C. Ashforth, who is to be president of Toronto-Dominion.

In reviewing the past year, Mr. Ashforth said that expanding consumer expenditures has been the major factor in maintaining the stability of the Canadian economy.

"Despite a higher level of unemployment and only part-time work in some industries, total personal income has risen and in the aggregate consumers have been spending more on goods and services," he said. "At the same time, the level of savings has been maintained.

"Especially encouraging is the fact that a further large expansion of consumer credit has not been associated with the rise in consumer expenditures."

Consumer spending shows no signs of falling off, Mr. Ashforth noted, and indications are that the present level of business activity will be maintained throughout the early months of 1955.

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National Farm Union Birth Almost Sure Thing For '55

Sooner than it thinks, Canada may have a bumptious, loud-voiced addition to its family of pressure groups.

It will be a national farmers' union, springing from the fast-growing farm union movement on the Prairies.

And, popping up as major figures in the organization, will be two familiar faces—super-organizers J. L. (Joe) Phelps, of Saskatchewan, and Jake Schulz, of Manitoba.

This pair look like near-certain farm union choices to carry the gospel of militant farmer solidarity from coast to coast, appealing to the "little" farmer, demanding "justice" for "our primary industry," railing against "high" middlemen's profits.

If and when it materializes, a farm union run by this duo will be one of the fastest-talking groups ever put together. Both organizers believe "the squeaking wheel is the one that gets the grease."

Reports from the West indicate there is no "if" about formation of a national farm union and not much question of "when." The timetable of its organization looks to be worked out already.

Expected results of formation of a national farm union:

—A serious attempt to split members away from the Canadian Federation of Agriculture.

—A renewed drive for a powerful producer-controlled livestock marketing board.

—Strongly vocal opposition to protective tariffs for most industries, support for special low freight rates on farm products, support for things like mandatory jail sentences for convicted price-fixers.

—A stronger drive to get major financial support from large co-operatives without giving them a controlling voice in union affairs. The idea is that big farm co-ops get their money from the farmers, therefore should be willing to give some of it to "the farmers' organization."

—A push for some kind of parity farm pricing.

Phelps and Schulz both recently bowed out as presidents of the Saskatchewan Farmers' Union and Manitoba Farmers' Union respectively. But both remain on the Interprovincial Farm Union Council and, more important, both continue as the dominant figures in farm unionism.

Before they retired as farm union presidents, Phelps and Schulz were instrumental in getting substantial financial support for the mooted national organization.

Now, with money and leadership available, the IFUC is expected to call a national farm convention in late winter or early spring and there form a national union. Phelps likely will be president with Schulz as his chief lieutenant.

Next step will be for Phelps and Schulz to begin organizational work in British Columbia, Central Canada and the Maritimes.

Thus these areas probably will get a good first-hand look at the twosome which a few years ago took the dead-but-won't-lie-down Prairie farm union movement and built it into a major force. And they did this in the face of polite but decided disapproval from the strong farm federations (mainly the co-operatives).

For Phelps and Schulz, it will be a chance to try their fire-eating spell-binding technique on a different kind of farmer. On the face of it, Phelps and Schulz wouldn't be expected to have a chance of pulling large numbers of B.C., Central Canada and Maritime farmers away from the more conservative Canadian Federation of Agriculture.

But they didn't seem to have too much chance on the Prairies five years ago, either. Yet, the prairie unions now have close to 100,000 farm families as members.

Time Is Ripe

The haste to get a national farm union going stems from a number of reasons:

—Low farm prices and poor grain crops this year have a lot of previously content farmers grumbling. But, so far as can be predicted, farm income should move up a bit next year. (That's what the recent Dominion-Provincial Agricultural Conference was told.) This looks like the best time for a farm union drive.

—In Phelps' case, at least, there was a strong faction which wanted to replace him with a less volatile president. Allowing him to run a national organization accomplishes this aim without splitting the SFU wide open.

—There may be a chance that quick action will bring Quebec's Union des Cultivateurs into a national setup.

Initial financing will come from membership of the SFU and MFU on the basis of 50c per membership unit and from the Farmers' Union of Alberta to the tune of $5,000. Moral support, at least, will come from the fledgling Ontario Farmers' Union.

Chatelaine Gets New Manager

Appointment of C. J. Laurin as manager of Chatelaine magazine, effective Jan. 1, is announced by President Floyd S. Chalmers, Maclean-Hunter Publishing Co.

Mr. Laurin was manager of planning and development for Chatelaine in 1952-53, became business manager of the magazine a year ago.

N. R. Perry, manager of Chatelaine since 1930, will now devote full time as a director to activities at company level.

National

Profits, assets, loans and deposits of Canadian National Bank again moved to new highs during the year ended Nov. 30, 1954. Reserves were increased.

Net profit of $722,287 or $2.23 per share was 37.6% higher than previous fiscal year's net of $524,849 or $1.95 a share. Write-off of bank premises was increased to $564,716, from $381,017 the year before.

Surplus for the year, after dividend distribution unchanged at $840,000, was $722,287.

INCOME ACCOUNT

Years Ended Nov. 30:	1954	1953
Net earnings	$3,337,820	$2,965,786
Less: Prov. for taxes	1,210,817	1,219,920
Bank premises w/o	564,716	381,017
Net profit	1,562,287	1,364,849
Less: Dividends	840,000	840,000
Surplus for year	722,287	524,849
Earnings per Share and Dividend Record:		
Common: Earned	$2.23	$1.95
Paid	1.00+0.20	1.00+0.20

Assets rose by 9.2% to a new high of $573 millions at fiscal year-end. Loans and discounts were $16.2 millions higher on the year. The bank's portfolio of securities is valued at $213,495,413, compared with $195,788,085 a year earlier.

Cash assets of $89.7 millions on Nov. 30 represented 16.2% of liabilities to the public. Quick assets, totaling $318.1 millions, were nearly $30 millions higher on the year, and represented 57.4% of pubic liabilities.

A new balance sheet item this year is mortgages and hypothecs insured under the NHA, 1954. At year-end, $1,558.664 was outstanding in such loans.

CONDENSED BALANCE SHEET

As at Nov. 30:	1954	1953
Cash on hand	$34,397,589	$55,933,772
Notes & dep. with Bk. of Can.	52,462,173	31,488,287
Dep. on other banks	2,723,681	2,054,620
Call and short loans	14,912,880	2,990,597
Dom. & prov. sec.*	189,405,837	168,971,815
Other securities*	24,089,576	26,816,270
Total quick assets	318,131,746	288,255,361
Loans and discounts	244,167,239	227,898,461
N.H.A. mtges, 1954	1,558,664	......
Bank premises	8,036,306	7,325,393
Letters of credit	1,066,409	1,129,023
Other assets	76,171	57,892
Total assets	573,036,535	524,766,230
Dom. & prov. deps.	21,855,177	21,214,328
Pub. nonint. bear. dep.	181,082,138	135,509,188
Pub. int. bear. deps.	†345,498,266	345,694,283
Due to banks	3,175,095	5,416,063
Letters of credit	1,066,409	1,129,023
Sundry liabilities	2,211,222	37,602
Total liabs. to pub.	554,888,397	509,000,387
Divds. unpaid etc.	......	239,702
Reserves	11,000,000	8,000,000
Capital paid-up	7,000,000	7,000,000
Surplus	148,228	425,941
Total liabs. to sh.	18,148,228	15,765,643

*Not exceeding market value.
†Personal savings deposits.

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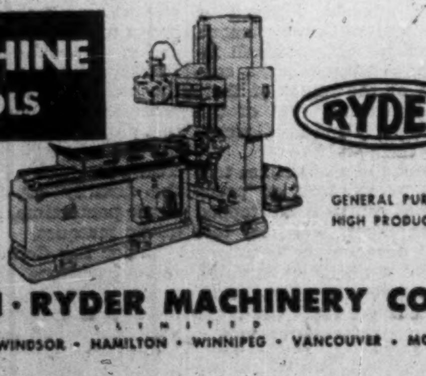

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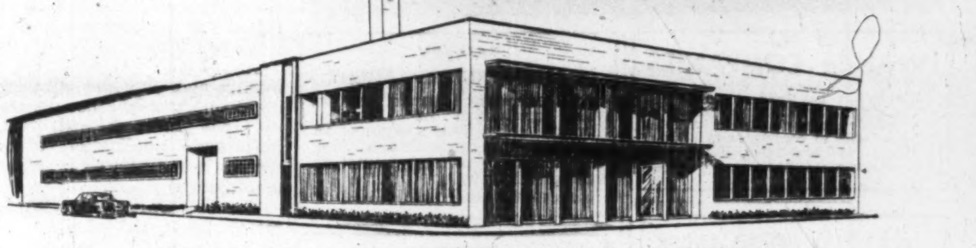

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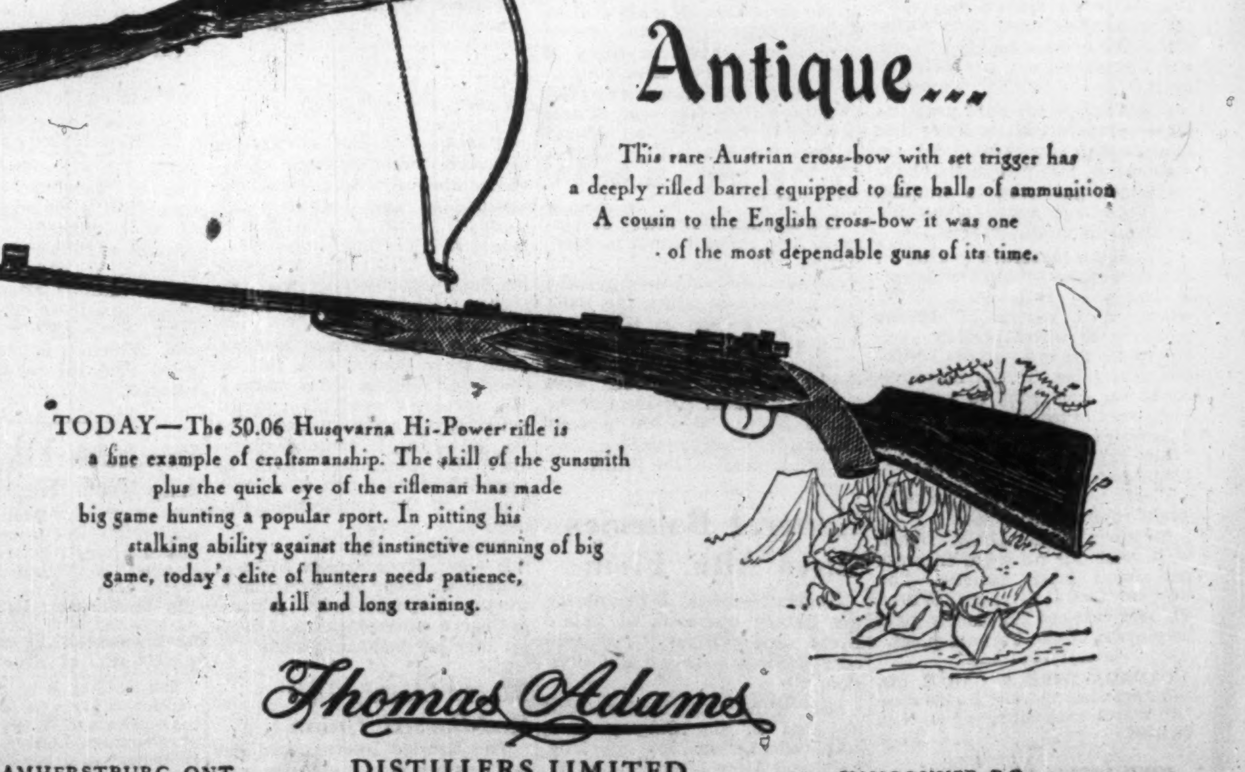

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Write to the Executive Director
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To be marketed in the Province of Quebec by wholesale grocery salesman with top connections.

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BUSINESS OPPORTUNITY

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BOX 1088 — LONDON, ONTARIO.

Ford Dealers Still Get New Auto Orders

Auto production continued to mount this week and producers continued to agree that purchases of new models herald a good sales year in 1955.

Ford—still strike-bound—had to sit back and watch General Motors and Chrysler steadily expand output. Nash, too, is now in production.

But there was some comfort for Ford. Its dealers are still getting forward orders (The Post, Dec. 11) even though they can't say when the United Auto Workers' strike of Ford plants will end and therefore can't talk delivery dates.

While orders for Ford products piled up, there was no doubt that some eventually would fail to materialize, that prospective buyers might get tired of waiting. But Ford was happy about the spontaneous public interest.

The strike continued to drag on at midweek, becoming increasingly costly to both sides. UAW scheduled a series of striker meetings, at which officials were to explain the most recent breakdown in talks. The strike obviously was beginning to grate on some employees and there were a number of complaints of alleged "vote-rigging" and "dictation" from the top.

There were reports that talks might resume before long.

Meanwhile the UAW signed with Nash for no wage increase and small fringe benefits. The new contract—to last until March 30, 1956—covers 200 hourly paid employees at the Toronto plant.

CANADA WIRE & CABLE CO. had 2,672 class "A" and 204,256 class "B" shares outstanding as of Nov. 30, 1954.

JOHN INGLIS CO. "rights" were removed from trading at the close on Dec. 20, 1954.

World Bank Calls $700,000 Block Of Can. $ Bonds

The International Bank for Reconstruction & Development intends to call for redemption by lot $700,000 of its 4% 10-year Canadian dollar bonds of 1952. The bonds will be redeemed at par, plus accrued interest Feb. 4, 1955.

Terms of this $15 million issue require the World Bank to retire not less than $700,000 by Feb. 1 of each of the years 1955 to 1960 both inclusive, and $800,000 for the year ending Feb. 1, 1961. This latest redemption call means the Bank is fulfilling its obligation nearly a year before the deadline, because its obligation to retire $700,000 by Feb. 1, 1955 was met by the redemption of that size in October this year.

Last week, the World Bank made a $20 million 4⅜% 15-year loan to the Belgian Government at the same time as a $30 million Belgian bond issue was offered by private investment firms in the U.S. The latter issue consisted of $5 million 3⅜% three-year, $5 million 3½% four-year, $5 million 3⅝% five-year—all offered at par—and $15 million 10-year 4% bonds offered at $99.50 to yield 4.06%.

The Belgian borrowing, designed to help finance canal modernization and construction of the Baudouin Lock at Antwerp, is the first instance in which the Bank has made a loan as part of a joint operation in which a new public bond issue by its borrower has also been involved. Says Eugene R. Black, president of the World Bank: "We are already looking forward to possible similar transactions in the future."

General Bakeries Buys Alta. Firm

General Bakeries is purchasing the bakery operation of Palace Bread Ltd., Calgary, and will operate it as its own bread division.

Sale of the plant, the largest of its kind in the Calgary area, takes effect from Jan. 15, 1954. Leon and Alvin Libin, sons of the original founder, have been retained to operate this division.

LABOR ROUNDUP By JACK McARTHUR

'Push-Button' Nerves Push Union GAW Demands Close

Fear of what push-button factories might do to employment is behind growing labor clamor in support of the guaranteed annual wage principle.

This wasn't so obvious a few months ago. But now, an increasing proportion of labor discussion of GAW links it with fear of large-scale application of electronics to industry as it relates to employment.

The CIO United Auto Workers, major proponent of GAW, says this in an official statement:

"GAW will not prevent the employer from making use of technological progress to increase efficiency of employment. It will ensure that automation is not introduced in irresponsible ways which would produce hardship and suffering for many thousands of workers . . ."

For Canadian employers, labor's linking of automation and GAW could mean:

—Company explanations of automation and, possibly, attempts to cushion its effects on employees may be used as an argument against demands for GAW.

—A furious debate probably will rage over the social and economic effects of automation. Automation — wide-scale use of electronic devices in production — has been coming in bits and pieces for some years. But there's some indication the auto, electrical and steel industries soon will have to make decisions on major changeovers.

—UAW and, likely, some other unions will wage a bitter fight for GAW. GAW can't be regarded as just a lever to be used by unions to get an ordinary wage or benefit boost. It will provide a major labor battlefield for years.

—Some companies may agree to a modified GAW in return for some assurance of labor acquiescence in automation and promises of labor peace.

There's nothing new about the GAW principle. Some American firms already have a type of guaranteed wage.

It's been discussed sporadically by union leaders for years. Only the imminence of extensive automation in some industries has turned it from a little applied theory into a serious argument.

Communists already are screaming that automation is just a management attempt to profit at the expense of labor.

In the argument now looming, some labor leaders may fall for this line. But the UAW stand is that increased production means better living standards for all in the long-run. It contends, however, that companies should be forced to foot the cost of any disruption in the employment pattern.

Most-heard argument against this view: Since automation will benefit all, labor and government should co-operate with industry to finance more extensive universal unemployment insurance.

• • •

Black Clouds For Red-Bossed Union

The Red-led International Fur and Leather Workers' Union soon may be fighting for its life.

And if the U.S. parent goes under, the Canadian offspring may also be unable to survive.

The independent fur and leather union, because of its Communist leadership, is a labor outcast. That didn't bother it too much until recently, when some of its leather-working membership — both in Canada and the U.S. — became restive.

The CIO promptly set up an organizing committee. There have been predictions the leatherworkers will desert their Commie affiliation and join the CIO.

But the Fur and Leather Workers' Union wasn't idle. It was busy trying to get into the AFL by amalgamating with the AFL Meat Cutters and Butchers. It's been rebuffed and probably will be again unless it gives assurance that it will clean out the Communists.

The 7,000-member Canadian union could hardly exist for long without the moral and financial backing of the U.S. union and its $9 millions treasury. It would be fair game for raids by other unions.

There's still a chance the unions' red-tinged leadership will succeed in getting into the AFL while retaining at least some influence. If it does, it will gain a certain amount of protection under the no-raiding pact and even more if CIO-AFL merger plans become reality.

• • •

Labor Briefs

Profit-sharing is paying off for Nor Baker, a Toronto photoengraving firm. It's also paying fat dividends to the firm's employees. Some 70 employees recently collected a total of $7,000, representing their share of profits for the past four months. Profit shares also go into pensions, life insurance and health insurance. Current pension fund values range from $100 to $500 monthly with cash values at retirement as high as $66,000.

• • •

Canadair Ltd. and Aircraft Lodge 712, International Association of Machinists (AFL-TLC), this week completed negotiation of an agreement calling for a general wage increase for hourly-paid workers of 5¢ per hour. Two weeks vacation after three years of service, three weeks after 15 years, seniority clause revisions and reduction of hours in 1956 were included in the two-year contract.

Dominion Life Moves Into New Head Office

Head office of Dominion Life Assurance Co. was moved this month into the largest building ever constructed in Waterloo, Ont. Two stories high with a penthouse, the new headquarters is 210 ft. by 125 ft., and has been planned to allow for an increase of 50% over the present staff of 200 employees.

The building is on a six-acre site which was part of a 56-acre farm on the outskirts of Waterloo, purchased by Dominion Life in 1947 for development as a sub-division. Headquarters of the company were formerly housed in a group of four buildings in the centre of Waterloo.

DISPLAY/ADVERTISING RATES

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WANTED ONE OR TWO Quality lines. We have an excellent connection with the Wholesale Grocery, Hardware, Tobacco trade, Chain and Department Stores. We will provide detail service, providing commission is adequate. Reference; The Canadian Bank of Commerce, Calgary. H. C. Andrew Limited, Perry Building, Calgary, Alberta.

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WANTED: A TOWN MANAGER for the Town of Stettler, Central Alberta, Pop. 3300, Male. Preferably with experience in the field, otherwise should have some Secretarial, legal engineering, sewer, water and sanitation experience. Write setting out education, all particulars of all positions held, references, experience and specific qualifications; also give availability for interview and salary expected. Mail to S. H. Petherbridge, Mayor, Town of Stettler.

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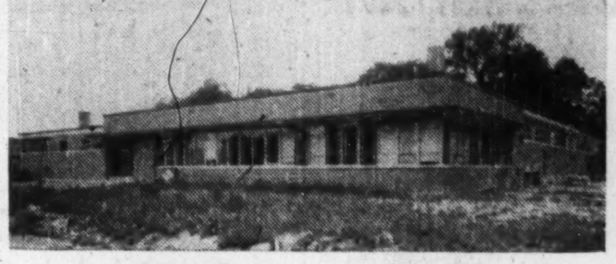

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BOX 20
THE FINANCIAL POST
TORONTO

Where Joe Stalin Is 'Santa'

All Their Christmases Are Blue Behind Iron Curtain

By PETER NEWMAN

MONTREAL (Staff) — With a justifiable sense of well-being, the Western World was settling down to a joyous festive season this week.

But what about that half of the world locked solidly behind the Iron Curtain? What kind of a Christmas can those under Communist rule expect?

Some thought about these millions seemed appropriate, even here, in the tranquil countryside of Canada. Many believe Christmas is a universal institution, which even the Communist conspiracy would not dare and cannot destroy.

But today, Santa Claus is not being allowed to climb any chimneys behind the Iron Curtain. And during this week, in particular, the many citizen-prisoners of the U.S.S.R. and its satellites, were no doubt thinking about the Canadian kind of Christmas they once celebrated.

Because of the Christmas feast's religious implications, the Communists are trying hard to suppress yule festivities. The Christian concepts of generosity and good will simply can't be fitted into Red ideology. Party functionaries are also trying to suppress yuletide traditions, because they vividly remind the captive populace of better days.

Dec. 24 is not a holiday behind the Iron Curtain. Christmas Eve shifts operate in most factories.

Instead of forbidding any form of Christmas observance, the Reds are using a sort of "pincer" strategy to belittle the Holy Eve's significance, by stressing the late Josef Stalin's birthday (Dec. 21) and New Year's Eve as important state holidays.

This year, the Kremlin has ordered a full-scale celebration of Stalin's birthday — first major recognition of the date since the dictator died, in March 1953. Increased attention to the dead premier probably reflects currently changing Soviet policy, which after a slightly liberal start, now appears to be returning to the rigidly orthodox Communist dogmas of Stalinism.

The kindly white-bearded gentleman just doesn't exist behind the Iron Curtain this year. Stalin has now been endowed with many of the mythical Santa Claus qualities, being remembered (through propaganda only) as a lover of children and bearer of all things bright and enchanted. The authorities blandly overlook Christmas and never call it by its correct religious name.

In the Free World, Christmas is largely a children's day. For an example of how Communist kids must enjoy Dec. 24, here's the translation of a sign on the entrance of the only toy store in Sofia: "The children's department store will educate children in creativity and self-improvement. The abundance of goods will instill in their little minds a consciousness of the might of their socialist fatherland, and of the care of the party and the Government for their welfare."

Red version of a Christmas tree is called a "winter tree" or "peace tree" and of course is not topped by a cross. Lights and fairy tale characters decorate the branches. For a great majority of families, Christmas gifts are a too costly luxury. Relatives don't exchange presents by mutual agreement.

The real elements of Christmas in a "people's democracy" are the renewal of work pledges and rallies with made-to-order political songs and pantomimes. Yuletide political rallies will this year concentrate on "pledging the people's firm determination to uphold peace and prevent the imperialists from unleashing a new war."

That's according to the information bureau organ of the Communist and workers parties, currently being published in Bucharest. Describing a typical Christmastime pledge, the paper quotes A. Smirnov, a turner at the Moscow Vladimir Ilyich works: "I heartily approve the declaration adopted at the Moscow conference, which shows us, the workers of all countries, the road to preserving peace, the road to security. The ratification of the treacherous London and Paris agreements must not be allowed to take place. They are fraught with the threat of war, loss of human life, tears, hunger and destruction. Proletarian solidarity must be strengthened and the intrigues of the imperialists foiled."

The propaganda sheet calls for the adoption of "the simple and clear proposals of the Soviet Government, which are aimed at strengthening peace and general security. Singling out Ulyana Bashtyk, a "heroine of socialist labor and chairman of the collective farms of Skamorokhi village," the paper quotes her as warning the West: "Let the imperialists know that the Soviet people, shoulder to shoulder with other peace loving peoples, will be able to deal a smashing rebuff to any attempts to unleash war."

Dec. 25 is an ordinary working day in the U.S.S.R. Schools remain open until Dec. 30, with a short winter vacation for non-university students from Dec. 31 to Jan. 10.

But Jan. 1—because it has no religious overtones. — is a gala holiday. Placards are brought out on the streets, boasting the start of the second, third, or last year of the country's latest five-year plan, which is guaranteed to bring happiness to the masses. (The end of one five-year plan has meant the beginning of another since 1917, when the Red conspiracy first took effective hold.)

Older citizens of Russia's satellites remember better times. Christmas was the highlight of the year in middle Europe, before the Communists came.

In rural districts, festivities continued uninterruptedly from Dec. 24 to Jan. 7, and included six legal holidays. Just before and immediately after Christmas, groups of school children would go from house to house singing Christmas carols, dressed as the three kings, Herod and other characters from the nativity story. On Dec. 24 peasants traditionally slaughtered the pig which would feed them for the rest of the winter. New Year's Eve was a rite celebrating the fertility of the land, with comic pantomime, songs and ritualistic masques.

Under the Communist regime, these traditions have been displaced by the less "superstitious," more "realistic" rite of the factory competition and the mass parade. No quarter is given to sentiment in the "socialist paradise."

Aluminium Outlook Bright; Offer Shares for Expansion

MONTREAL (Staff)—A bullish attitude toward both its own competitive position and the market outlook for aluminum—regardless of defense needs—is shown by Aluminium Ltd. in the preliminary prospectus filed with the S.E.C. on a forthcoming stock offering.

Currently, it's stated, about 14% of Aluminium's production is being sold to defense industries. At the same time, the U.S. stockpiling program has been a significant factor in the over-all demand for metal.

But even if defense needs, including the stockpile, drop substantially, the "economic nature" of the company's new facilities and rising civilian demand would justify the new 60,000-ton expansion at Kitimat, the prospectus indicates.

This year's output is estimated at 553,000 tons, up slightly from 1953's 549,700. Apparently the gain would have been bigger but for difficulties in putting Kitimat into production. These are expected to be overcome shortly, and meantime Canadian smelters are producing at about 95% of the current 638,500-ton rated capacity.

Sales to the four main markets showed some marked changes this year. The U.K., for instance, absorbed an estimated 216,000 tons (184,600 in 1953). U.S. buying was down substantially at 195,000 (237,000), while exports to other countries were up sharply at 62,000 (37,900). Canadian buying slipped a bit to 80,000 (90,200).

For next year, forward sales contracts with Kaiser and Alcoa, plus U.K. commitments, cover 60% of Canadian ingot capacity, it's stated.

The stock offering is expected to yield $40 millions. One new share for each 10 already held will be offered to holders of record Jan. 7, at not over $46 apiece.

Proceeds will be used to finance the Kitimat expansion and any other near-term capital expenditures. In the prospectus, it's noted that the smelter expansion will mean more alumina is needed. How much might be provided from an expansion of alumina facilities and how much from outside purchases is yet to be decided.

Additional information is also given in the prospectus on the effects of Aluminium Ltd.'s recently announced shift back to straight-line depreciation in its accounts (capital cost allowances in excess of normal depreciation will still be taken for tax purposes).

How It Works

Because of this change, depreciation allowable for tax purposes in future years on existing assets will fall short of the amount recorded in the accounts for those years. Thus reserves have been set aside to apply against taxes payable in the future. And these reserves equal the reduction in current taxes which results from taking capital cost allowances in excess of straight-line depreciation on facilities in operation.

Net result is that reported profits are increased as follows: 1950, by $2.1 millions; 1951, $8.4 millions; 1952, $12.9 millions; 1953, $18.7 millions; first nine months of 1954, $12.3 millions.

Per share earnings are raised as follows: 1950, $3.85 instead of the previously reported $3.62; 1951, $4.12 instead of $3.19; 1952, $3.91 instead of $2.48; 1953, $4.24 instead of $2.16. For the first three quarters of 1954, the figure is boosted to $2.98 from $1.61.

Quebec Iroquois On Warpath Poking Fire at Ottawa Gates

MONTREAL (Staff): — War drums echoed along the St. Lawrence River this week, as Caughnawaga reserve Iroquois threatened to go on the warpath against government Seaway planners.

Chief Poking Fire has served notice that under the Indians' treaties with the white man, parts of the reserve cannot be flooded by the proposed waterway. Significant changes to the reserve's shoreline are necessary under the seaway authority's current construction plans.

"First there were roads, next hydro developments and railroads. Now we will have water passing right through the reserve," the chief says. "Soon there will be nothing interesting left in our village."

Poking Fire is head of a 12-man council which governs the small reserve on the river's south shore, a few miles west of Montreal. He plans a trip to Ottawa for a protest to the Indian Affairs Branch.

The Iroquois claim is simple: the land to be flooded has been reserved for the Indians since 1680. The Seaway, they claim, will cut off the present village from the rest of the reserve. They believe it is unfair to further restrict their already hemmed-in quarters.

The Secrets of Louis St. Laurent

by Ian Sclanders

He didn't want to get into politics. Now he is the greatest vote-getter Canada has ever known. How did he do it? What of his character, and what are his ideals? You'll find the answers in the January 1 Maclean's.

I Say Your Child Can't Read

by Dr. Rudolph Flesch

Dr. Flesch shouts an angry warning at every teacher and parent. "The schools are wrong to change from the phonic method of teaching reading. The word-recognition method presently in use, teaches children to guess what is on a printed or written page." Dr. Flesch tells what's wrong with the way your children are taught to read and what we should do to correct it.

EXCLUSIVE

The Russian Mind

Would a cowboy movie draw crowds in Moscow? Are Soviet women really free and equal? Do Russian teen-agers do what they're told? The answers to these and other pointed questions were given to Sidney Katz in a remarkable interview with a Russian Psychiatric Director. See the January 1 Maclean's for this fascinating story.

The Best and Worst Movies of 1954

Clyde Gilmour makes his annual report on what the movie-makers had to offer during the year.

PLUS:

- The Laurentian Mountains—40 Millions Worth of Snow
- No Wonder Italians Like to Eat
- Blair Fraser's 3rd On-The-Spot Report. — "The Man Who Yearns for War"

With features like these, it's no wonder that all Canada is talking about the new, exciting Maclean's.

Be sure to get your copy of the JANUARY 1

MACLEAN'S
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Trend of Business

Department store sales in November were 5% above same month last year. Gains everywhere but two prairie provinces. Increases over a year ago were: Quebec, 11%; British Columbia, 11%; Atlantic provinces, 10%; Ontario, 6%; Manitoba, 1%. Decreases were: Alberta, 1%; Saskatchewan, 15%.

Value of unfilled orders of 900 manufacturers almost 5% above year earlier as of the end of October.

New dwelling units started this year to Nov. 1 number 97,424, or 8% more than same period last year. Completions were 79,327 or 6% ahead of last year. Houses under construction at latest were also 6% ahead of last year. Each total is a new high for the period. More units under construction than year ago in Newfoundland, New Brunswick, Quebec, Ontario and British Columbia. Fewer in Prince Edward Island and each of Prairie provinces.

Gross national product in 1954 will be about 2% lower than last year, it is now estimated. Drop in farm income chief factor.

Consumer expenditures and new housing investment have been strongest demand factors in first three quarters.

Personal savings dropped to 6% of disposable income in first three quarters this year from 8.5% in the same period last year.

Business inventories are down substantially in third quarter. After adjustment for seasonal variation, they have been declining steadily since the middle of last year.

Television sets in 22% of all households now, as against only 10% a year ago. In Ontario, 37% of households have sets. Quebec is in second place with 28%; British Columbia, third, 14%.

Electric cooking stoves in 39% of households in late 1954, as against 35% a year earlier, according to sample survey. Mechanical refrigerators in 71% as against 66%, vacuum cleaners, 50% as against 48%, washing machines, 83% against 82%. Subject to sampling error, of course.

Wholesalers sales in nine lines of trade were 2% below year-earlier in October. Their inventories were down 1% at end of month, from last year. Biggest sales decrease was in clothing, down 17%, and dry goods, 11%. Hardware wholesalers dropped 10%. Fruit and vegetable wholesalers went up 8% and auto parts and equipment and groceries 1% each.

Farm cash income down 13% in first three quarters this year. Most of decrease is in third quarter. Almost all the reduction, except for Prince Edward Island, is in the Prairies. Saskatchewan's decrease is 42%, Manitoba, 17%, Alberta, 21%. Other provinces show increases, from 1% in New Brunswick to 9% in Quebec.

Food chains sales 6% more this October than last. Chain hardware store sales down 11% in October from same month last year; chain drug stores, down 4%; chain women's clothing stores, 3%.

Lumber production in first three quarters is 6% below same period last year.

Medicinal and pharmaceutical manufacturers employed 3% more people at latest this year than same time last year, 5% more than two years ago.

Major Weekly Indicators

		LATEST WEEK	Week Ago	Month Ago	Year Ago
Department store sales (% ch. from year earlier)		.....	+6%	—7%	—0.4%
Carloading, totals	(cars)	108,438*	79,896	101,516†	91,950*
Eastern Canada	(cars)	67,225*	50,407	63,540†	56,559*
Western Canada	(cars)	41,213*	29,489	37,976†	35,391*
Iron & Steel (m'fd)	(cars)	1,351*	937	1,306†	1,717*
Ores, concentrates	(cars)	6,147*	5,026	6,564†	3,562*
Base metals	(cars)	1,006*	673	794†	540*
Lumber, timber plywood	(cars)	5,263*	3,838	5,762†	3,906*
Cement	(cars)	1,094*	846	1,266†	1,298*
Motor veh. production	(units)	5,430	5,355	3,680	7,501
Bus. failures 4-wk. moving av.	(No.)	32.5	29.8	20.3	29.5
Chartered banks					
Personal savings	($ millions)	5,161	5,184	5,203	4,742
Loans outstanding	($ millions)	4,186	4,191	4,111	4,142
NHA mtge. holdings	($ millions)	59	55	42	....
Bank of Canada holdings of securities	($ millions)	....	2,315	2,228	2,309
Short term govern.	($ millions)	....	1,451	1,391	1,392
Long term govern.	($ millions)	....	853	824	896
Other securities	($ millions)	....	12	12	17
Canadian dollar (U.S. cents aver.)		103.325	103.252	103.259	102.940
T.S.E. industrial index		374.06	374.15	371.15	312.04
Dom. bond yield index	('35-39=100)	....	98.0	99.0	117.1
Bank clearings					
Montreal	($ millions)	674	488	...	466
Toronto	($ millions)	774	657	786	548

*Nine-day month-end period.
†Ten-day month-end period.

Facts by the Month

	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—				
In all industries (Index)	254.0	246.9	239.1	257.1
In factories (Index)	256.9	252.9	242.0	270.1
Total nondurable goods (Index)	235.4	231.9	214.9	235.1
Food and bev. (Index)	256.1	262.0	231.7	253.0
Textiles (Index)	180.5	157.4	120.2	192.7
Clothing (Index)	152.0	141.4	126.4	169.8
Chemical products (Index)	285.4	282.6	280.3	288.4
Total durable goods (Index)	290.4	28[illegible].8	284.3	324.9
Iron & Steel products (Index)	251.8	247.6	241.0	289.8
Primary iron & steel (Index)	228.8	216.3	224.8	313.6
From mines (Index)	244.8	226.1	227.8	212.2
Metals (Index)	131.3	128.5	127.2	114.6
Nonferrous smelting refining (Index)	244.6	237.7	230.8	227.2
Gold (Index)	108.0	103.3	106.4	96.7
—From farms				
Hogs graded (000)	431	314	430	396
Cattle delivered (000)	185	149	172	180
Flour (Index)	157.9	148.3	125.8	142.6
—From sea				
E. Coast catch ($000)	4,723	6,129	8,628	3,643
W. Coast catch ($000)	6,625	7,695	5,832	4,069
—From forests				
Newsprint (000 tons)	526	491	503	511
Pulp (000 tons)	837	785	800	799
—In powerhouses				
▪Electricity (Index) (seasonally adjusted	268.3	261.8	260.1	241.1
WHAT WE SELL—				
Retail sales ($ millions)	988	978	1,044	997
▪Dept. store sales ($ millions	118	97	89	113
▪Wholesale sales (value) (Index)	388.8	401.8	378.1	389.4
▪Mfrs. outsdg. orders (value) (Index)	75.7	79.2	81.1	72.4
Pass. car sales (units)	21,524	27,973	31,808	22,016
WHAT'S ON HAND—				
Mfrs. inventories (value) (Index)	98.2	99.2	100.1	103.2
▪Dept. store stock sales ratio	2.7	3.0	3.4	2.5
SPENDING, SAVING POWER—				
Labor income ($ millions)	1,030	1,014	1,010	1,014
Dividend payments (Index) (annual rate)	254.6	252.8	246.6	241.4
JOBS—				
Employment (Index)	113.3	112.9	112.3	116.9
Mfg. employment (Index)	108.1	108.3	108.0	115.2
CONSTRUCTION—				
Contract awards ($ millions)	214	181	183	158
FOREIGN TRADE—				
Export ($ millions)	318	337	328	348
Imports ($ millions)	332	333	343	358
MONEY—				
Money supply ($ millions)	5,331	5,226	5,228	5,236
Cheques cashed ($ millions)	11,363	11,178	12,125	10,446
Notice deposits ($ millions)	5,687	5,585	5,535	5,148
Current public loans ($ millions)	3,739	3,750	3,776	3,718
Life insurance sales ($ millions)	207	191	197	225
PRICES—				
Consumer price (Index)	116.8	116.8	116.8	116.2

Index bases: production wholesale sales 1935-39=100; employment, payrolls, 1949=100; consumer price index, 1949=100; manufacturers' inventories, outstanding orders, Dec., 1952=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	247	329	2,353	—24
Primary copper (000 tons)	23.7	18.6	222	+12
Nickel (000 tons)	13.4	12	117	+10
Cement (000 bbls.)	1,992	1,923	16,953	+2
▪Lumber (millions (fbm)	658	607	5,443	—6
Lumber exports (million fbm)	380	279	2,943	+18

▪New items this week.

Date of issue for your file, The Financial Post, December 25, 1954.

Liquid Air Opens New B.C. Plants

MONTREAL (Staff) — Canadian Liquid Air Ltd. this week turned the tap on at two new installations in British Columbia.

Bringing the company's Canadian plants total to 34, the $500,000 oxygen, nitrogen and acetylene plants were opened at Victoria and Kitimat. At the Victoria installation, a special pipeline carries oxygen to the shipbuilding operation at Victoria machinery depot.

The company's Kitimat plant is the first independent manufacturing plant to open at the huge Aluminum Co. of Canada project. By the recently-opened CNR line from Terrace to Kitimat, this plant will be able to supply much of B. C.'s northern interior.

R. J. BAKER
Gold Medal

D. K. McNAIR
Silver Medal

H. S. HECKER
Silver Medal

447 Qualify In Final Exams For Chartered Accountancy

Canadian business and industry this week got 447 new chartered accountants and promise of a good many more "on the way." The Canadian Institute of Chartered Accountants announced that out of 853 final candidates, 447 passed and another 140 obtained "partial pass" standing in C. A. examination results across Canada.

A total of 1,536 budding C.A.'s wrote the exams. Of 683 intermediate candidates, 379 passed and will normally have two years to go before their finals.

The Governor-General's Gold Medal Award, which carries with it a $50 cash prize and an all-expense trip to the CICA's annual meeting (in Toronto next September), was won by Reginald J. Baker, Riverview, N.B. The award was given this year for the first time. He was born and received his early education in England, joined the firm of Lee & Martin in Canada in 1949.

Donald K. McNair, 25, of Toronto, was the CICA silver medalist. He is a graduate of Services College, Royal Roads, B.C., started his C. A. training with George A. Touche & Co., Toronto, and is presently employed by A. D. Hall, Toronto.

The Governor-General's medal is awarded for the highest average standing on the six final papers. The silver medal goes to the senior candidate with the second highest marks.

Top marks in the intermediate exams—and the CICA's silver medal for this achievement—went to Harvey S. Hecker, 22, now training with Rumack, Seigel & Co., Toronto. He started training with Jordan & Jordan, Toronto.

The October examinations, prepared by a board of examiners-in-chief, are the entrance standard of the 10 provincial Institutes of Chartered Accountants in Canada. Those who qualify are recognized in any province regardless of where they received training.

GORDON A. FRIESEN ASSOCIATES, consultants on hospital design and management, have opened new offices at 717 Church St., Toronto.

U.S. Seaway Bids Cut Estimate 50%

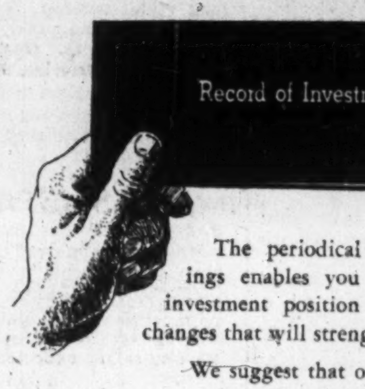
Low bidder for the first construction work on the U. S. section of the St. Lawrence Seaway is Badgett Mine Stripping Corp. of Madisonville, Kentucky. Award of the contract will be announced following examination of specifications.

The low bid was $1,372,800 for excavation of 3.9 million cu. yd. of earth and rock on the Long Sault canal and dike embankments near Massena, New York.

High bid was $4,399,750, and the estimate of Government engineers before opening of the bids, $2,863,050.

Four other companies bid less than $1.5 million and could get the contract if award is not made to the low bidder. They are: St. Lawrence Constructors, Indianapolis; Perini & Sons Inc., Farmington, Massachusetts; Eugene Luhr and others, Columbia, Illinois; Morrison Knudsen Co., New York.

A RECORD OF INVESTMENT BOOKLET



for easy, convenient reference

The periodical valuation and analysis of your holdings enables you to determine accurately your current investment position and, in some cases, to make certain changes that will strengthen your investment portfolio.

We suggest that once a year you mail a list of your holdings to us in order that we may advise you regarding current values and submit a detailed analysis.

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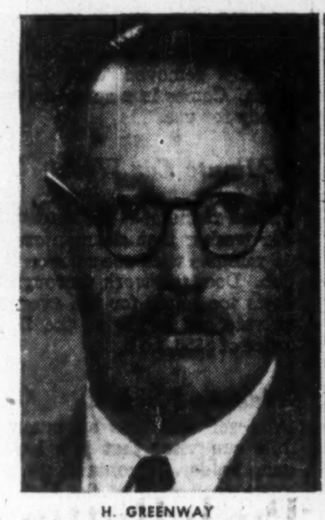
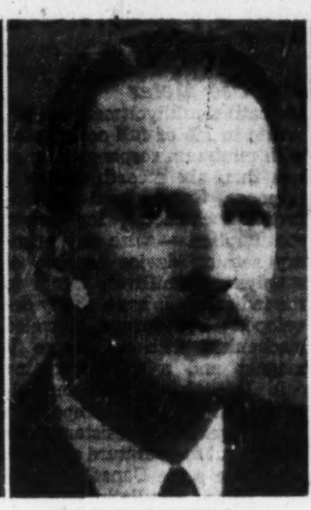
ANNOUNCEMENT

LEVER BROTHERS' APPOINTMENTS



H. GREENWAY

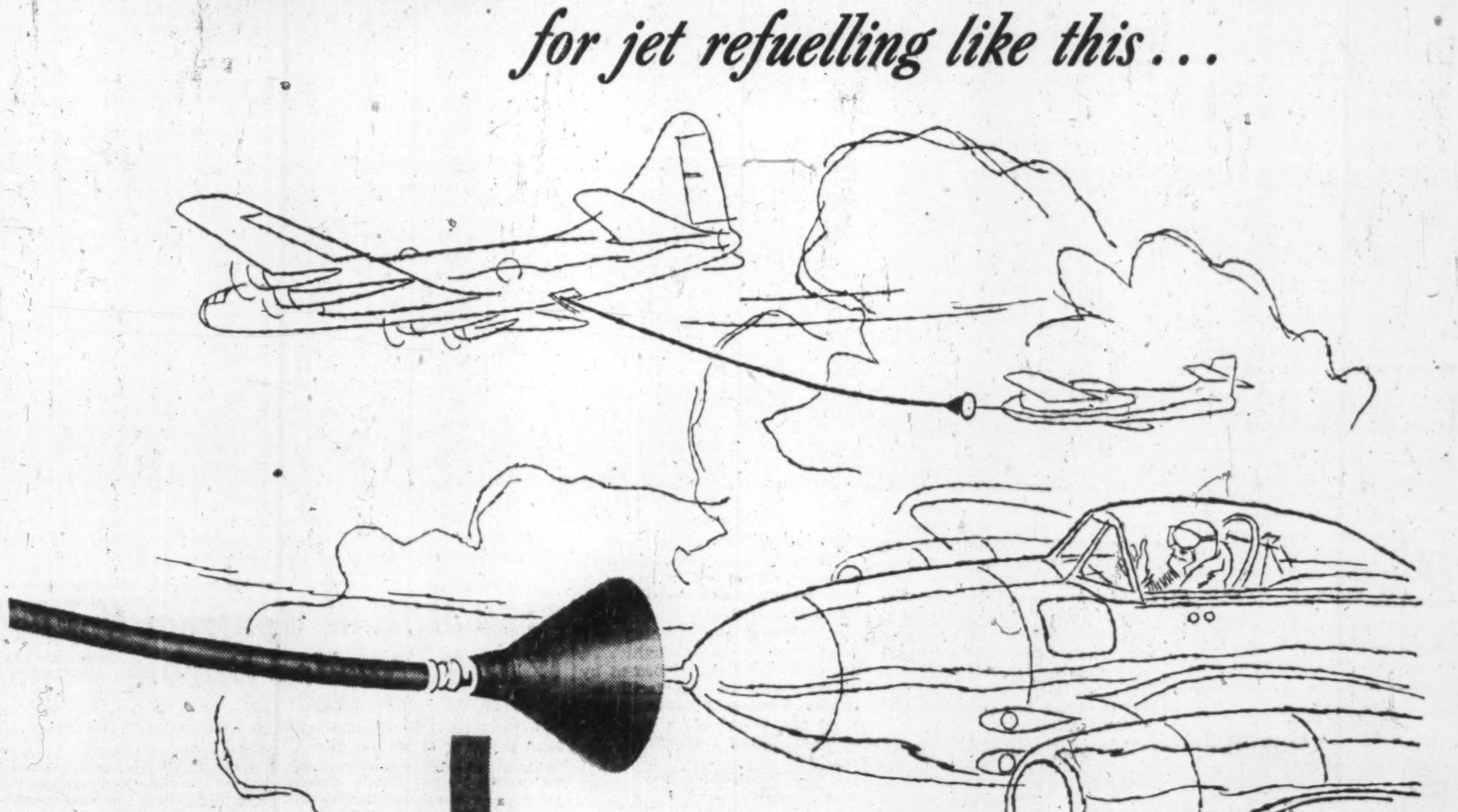


J. C. LOCKWOOD

F. P. STEELE

C. A. Massey, President of Lever Brothers Limited, announces the appointment of H. Greenway as Vice-President of the Company, J. C. Lockwood as Marketing Director, and F. P. Steele as General Sales Manager. Mr. Greenway was previously Marketing Director, and Mr. Lockwood, Sales Director. Mr. Steele joined Lever Brothers in 1938 as a salesman in Vancouver. In 1946 he was appointed Field Supervisor in the Prairie Provinces and in the following year transferred to the Maritimes, returning to Vancouver in 1949. In 1951 he became Division Manager for British Columbia and Alberta and in 1954, as Western Regional Manager, also took over responsibility for the Company's business in the Prairie Provinces. This experience has given Mr. Steele a wide knowledge of the Company's operation, and an extensive acquaintance with the grocery trade of Canada.

Nature doesn't make rubber for jet refuelling like this...



Polymer does!

Today refuelling in flight allows a jet plane to circle the world without landing. That is possible because man is now manufacturing better rubber than Nature can grow.

Jet fuel destroys natural rubber. The production by Polymer of a flexible rubber, impervious to jet fuel, for the manufacture of refuelling hose is part of a rubber revolution that has been going on for a decade.

For example, not too many years ago, inner tubes lost air steadily. Today, almost 100% of inner tubes are made of Polysar Butyl, a rubber that holds air many times longer than natural rubber.

Because of this rubber revolution you can buy paint that leaves no odour, dries in half an hour, leaves no brush marks. You walk on rubber tile floors that offer more resilience, longer life, brighter colours.

Almost half the rubber in Canadian products you see and use daily is man-made rubber produced by Polymer.

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POLYSAR
SARNIA CANADA
Registered trade mark

ABOUT 50% OF ALL NEW RUBBER USED IN CANADA TODAY IS POLYSAR

Q

What's New

New Products, Applications and Ideas Gathered from World-Wide Sources or Made in Canada for the First Time

YOU ARE INVITED to publicize your new products in this column. Write, Editor, What's New, The Financial Post, 481 University Ave., Toronto 2, Canada.

Easier Starting

Ether marketed in aerosol cans will save tempers and time when the car won't start these cold mornings. Aim the cap-nozzle at the engine air filter, press lightly, and the misty spray of ether resulting is claimed to help toward quick starting in frosty weather. When humid weather causes difficulties, spray the spark plugs and other parts of the ignition system to dissipate moisture that can prevent starting.

* * *

24-Hour Banker

Deluxe day and night bank depository indicates when a bag deposit is safely lodged. Translucent letters in the hood are illuminated, and light switches off momentarily as bag passes into money safe. Depository, in normal and deluxe models, say Canadian manufacturers, is designed to harmonize with modern bank exteriors, is stainless steel throughout, provides dual facilities for envelope and bulk deposits. For bags, a paneled steel door with a concealed spring-bolt lock is opened by a special corrugated key. Deposits reach burglary-resistive safe through chutes containing saw-tooth baffle fingers, preventing withdrawal. Steel canopy keeps off rain, snow.

* * *

Estimates Made Simple

Building estimating course is self-instructing, self-correcting. Each step necessary in preparation of estimates of cost is covered in fine detail. First, how to estimate separate parts of a structure. Next, how to assemble these detached parts in preparing estimates for complete buildings.

* * *

Gums That Stick

Two new silicone rubber gums — for manufacture of silicone rubber compounds — with twice the strength of any known silicone rubber previously available. Designed for combination with a new filler, may be used to produce silicone rubber compounds with tensile strengths of 1,200 to 1,900 lbs. per sq. in. Manufacturers claim they also have 50% higher elongation. Believed to represent a major advance in silicone technology. One new gum has normal shrinkage and flexibility at 65 deg. below zero. The other — specially adapted to needs of aircraft industry — has lower shrinkage retains flexibility below 100 degrees F.

* * *

Camping Asset

Compact, portable camp stove uses a disposable liquefied petroleum fuel tank. Weighs six lbs., can be assembled in seconds, doesn't require pumping or priming, even in subzero temperatures. Burns without fumes or smoke. Complete stove pack fits 11 in x 5½ in x 5½ in. metal carrying case that also serves as adjustable windshield. Grid takes large or small cooking utensils, is designed for easy cleaning.

* * *

No Shower Puddles

"Do-it-yourself" bathroom shower curtain attachment makes an ordinary shower curtain into a streamlined shower door, banishes draughts, floor puddles. Without special tools, can be fitted to any standard recessed wall-to-wall bathtub or stall shower in minutes. Locks to each side wall when in use, folds back at finger-touch. With special finish aluminum, is anodized to prevent staining, scratching.

* * *

Many-Use Meter

Indicating millivoltmeter is accurate to 1% of full scale value with minimum response time of less than six seconds for 99% response. Can be used as pyrometer, tachometer, for power consumption — with any primary sensing device capable of supplying a millivolt signal to the indicator. It has a newly developed high-torque, jeweled mechanism with an Alnico V magnet and a self-supporting coil. Is equipped with neutralizing resistance to compensate for changes in coil resistance due to ambient temperature changes. From the same Canadian company comes a bulletin illustrating their line of electrical and mechanical operation recorders — round and strip chart models.

Golf Without Strain

To make golfing easier, less strenuous — a power-operated caddy, covering 18 holes on the two-bag model, 36 on the one-bag style, without recharging. It also gives the golfer a lift up the steep places. Operates off two 12-volt batteries, recharged through a plug on the battery rack. Handle and bag rack are detachable for stowing the gadget in the car.

* * *

Helps The Steno

A typewriter that saves your stenographer time and labor and also has special eye-appeal. Construction is more streamlined than former models. An added scale enables operator to set margins without moving the carriage back and forth.

* * *

Two Way Ice Melt

Melts 46 times its own weight in ice and snow at 30 degrees F — a mineral rock salt product designed for ice control. Each crystal bores a hole its own size in ice and snow. At ground surface, crystals form a solution which causes melting from the bottom up to aid process from the top down. Leaves no slushy residue.

* * *

Cuts Out Shine

Dulling spray cuts down the glare from shiny surfaces, is useful to commercial photographers, T.V. studio operators. Manufacturers claim it does no damage to fine surfaces, can be quickly removed with a soft cloth. Comes in a spray-on can, ready for use.

* * *

15-Minute Car Wash

For truck fleet operators, gas station owners — an automatic car washer that cleans a car in 15 minutes with one man on the job. Does the work thoroughly, costs too much for the average private car owner at the U.S. price of $650, f.o.b.

* * *

Guide And Shield

Also for motorists an automobile sun visor that is a handy map holder. It contains a complete road map of the U.S. in five sections that unrolls like frame, is fitted with indirect lighting for an extra $2.

Quebec Eyes on Ontario Wages

Labor Economist Raps Government, Urges Parity Drive

Where, How Ontario Rates Higher

Here's a table of hourly earnings, showing percentage of Ontario rates over Quebec.

	1946	1950 %	1953
Manufacturing	12.1	17.8	17.6
Boot and Shoe	16.3	10.7	10.7
Cotton Yarn & Cloth	1.1	6.6	6.7
Knitted Goods	3.6	11.3	8.0
Saw and Planing Mills	14.6	18.3	19.0
Pulp and Paper	4.9	4.8	9.5
Electrical Apparatus and Supplies	2.5	7.6	9.4
Chemicals and Allied Products	9.1	15.6	18.4
Metal Mining	9.6	13.8	22.8
Building & Structures	9.9	7.9	14.6
Highways & Street Construction	27.0	28.1	31.4
Services	7.9	5.7	-6.3

MONTREAL (Staff) — Quebec workers are losing at least $200 millions a year in purchasing power because of "the Provincial Government's blind and systematic obstruction of trade unionism."

That's one startling conclusion of a 50-page report jointly issued by the Canadian Congress of Labor and the Canadian & Catholic Confederation of Labor in Montreal. Written by Gilles Beausoleil, the study analyzes wage differences between Quebec and Ontario.

"After deteriorating gradually since the end of the war, working conditions in the Province of Quebec are now much worse than in Ontario," the report states. "The disparity in hourly wages is serious."

Figures cited show that in manufacturing as a whole, Quebec's hourly wages were 21½c lower in 1953, with only pulp and paper and service industries paying more per week than Ontario scales. Quebec workers were also reported to be working 1.8 hours longer than their Ontario cousins.

Analyzing wage trends in the two provinces, Beausoleil states that "from 1946 to 1953 hourly earnings went up 89.3% in Quebec and 98.6% in Ontario in manufacturing generally; in the selected industries the increase varied between 64.0% and 103.4% in Quebec, and between 68.2% and 119.5% in Ontario. In only two industries—boots and shoes and services—did wages rise faster in Quebec, and in both "from a very low starting point."

Why the Differences

Turning to the reasons for the wage difference, the labor economist claims the answer lies in a mixture of economic, population, political and social factors.

"Perhaps Quebec's formidable wartime expansion led to the belief that it had definitely secured a sound position in the Canadian economy . . . even if the larger enterprises have increased their production to the requisite degree since 1946, a similar effort should have been made in the other industrial concerns. Since Ontario managed to compete against Quebec, even in the latter's traditional industries, we are driven to the conclusion that Ontario has more effectively improved its business and production methods."

"The proximity of the American industrial centres has been a magnet for Ontario workers," he claims. "To fill the gap, Ontario has welcomed the majority of the immigrants who have come to settle in Canada since the war. Moreover, in Ontario the countryside has not served as a manpower reservoir for industry, as in Quebec. As a matter of fact, from 1941 to 1951, Quebec's rural population increased by only 8.6%, against 27.3% in Ontario. In the same period, rural population as a proportion of the total population fell from 36.7% to 32.7% in Quebec, and rose from 38.3% to 40.1% in Ontario."

Raps Administration

In the sharpest-worded paragraph of the survey, Beausoleil attacks the policies of the Quebec Government. He says that while Quebec has encouraged economic development and offered enticing "arrangements" to foreign capital, the results of these efforts have been thwarted by the absence of an efficient public administration and by the weight of political favoritism and nepotism in many sectors of public life.

"The improvement of people's standard of living would also have been hastened by progressive social legislation, reflecting the transformation which the modern world has brought . . . the economic task performed by unions could not be facilitated by the Provincial Government's blind and systematic obstruction of trade unionism."

Broadening his terms of reference, the C.C.C.L. economist describes French-Canadian culture as having a certain resistance to the rapid growth of a powerful trade union movement. "French-Canadians have been a compact group, closely integrated and thrown back upon themselves. It is probably thanks to this very integration that the group has survived. But it could do so only by an almost complete absence of all cultural deviationism . . . trade unionism, as a modern institution responding to differently viewed economic and social problems, and created to cope with historically different circumstances, carried the germs of a threat to the social structure and the traditional objectives of the group."

Beausoleil does not believe the task of raising the French-Canadian's standard of living falls solely upon unions. He says that industrial leaders must set to work improving productivity, maintaining and extending markets and increasing investments.

He advises Quebec unions to establish as a basic principle in negotiations the equality of wages with Ontario, and use means of reaching that objective, such as inter-union collaboration and firmness in bargaining.

Beausoleil concludes: "Even then, the goal will not be rapidly attained. It remains obvious that the rather arduous task of having to fill the gap will have to be faced by unions in a probably less favorable set of economic circumstances during the next few years."

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Prairie 'Cash Only' Retailing Wins Widespread Acceptance

From Our Own Correspondent

WINNIPEG—Cash merchandising in independent stores of the Prairie provinces has had widespread acceptance in 1954.

With the year's end David A. Gilbert, Winnipeg, president of the Retail Merchants' Association of Canada, reports that more than 7,000 merchants in the three Western provinces are now trading on a strictly cash basis.

Nearly 2,000 of them are in Manitoba. In this province all business places in more than 50 towns in population from 500 to 1,500 are selling for cash only. In many other towns groups of business places sell for cash while others still give credit but the plan works best when adopted by an entire town or district.

The village of Gilbert Plains in northwest Manitoba was the first centre in Manitoba where all business places, stores, garages, service stations, lumber and fuel dealers, and everyone doing business, combined to go on a cash basis. The plan was soon accepted by towns in other parts of the province, aided by the Manitoba Division of the Retail Merchants' Association which started a campaign to sell for cash only.

Promotion of this policy for all three Prairie provinces has now been taken up by the Retail Merchants Association of Canada. In Saskatchewan more than 200 meetings have been held this year. In most cases they resulted in towns or districts reaching an agreement to go on a cash basis.

Some Early Fears

In early days of the campaign where for years charge accounts were carried, supposedly for 30 days, but often for months, merchants feared a loss of business. In some instances there was an initial slight loss but after two or three months it was picked up.

In Manitoba, Mr. Gilbert says not one case is known to his association where there was any loss of business volume and many stores have in fact reported substantial increases. Although volume of retail sales in Manitoba for the first seven months of 1954 are reported 3% lower than for the same period in 1953, Mr. Gilbert says the independent stores of the province which quit extending credit have not contributed to this decrease in volume.

One reason for this is that with business for cash merchants are able to give better values, and their buying public recognizes that better values may be obtained by paying cash. Another visible result is that in the towns where cash merchandising has been adopted there has been an improvement in appearance of store premises and display of goods. Merchants have more time and desire to do a better selling job and more for the job of store management.

The Retail Merchants Association is planning a wider program of promotion for 1955, particularly in Saskatchewan and Alberta. In its 1954 campaign it has had the voluntary services of Eban Govan of Western Grocers Ltd., who has addressed nearly half the meetings called by the association.

Plan $250,000 Building At St. Thomas University

From Our Own Correspondent

FREDERICTON, N.B.—An extensive building program costing around $250,000 is contemplated by the board of governors of St. Thomas University, Chatham, N.B.

Plans submitted to the Most Rev. Camille A. LeBlanc, Bishop of Bathurst, call for a new student residence, new chapel, new refectory and other improvements.

Here's How Ontario Views Quebec-Ottawa Tax Hassle

Any solution which would reconcile tax disputes between the Federal Government and Quebec will be welcomed by Ontario, so long as it isn't an arrangement tailored only to Quebec's needs and not to those of the other provinces.

That appears to be the gist of the thinking among Ontario Government officials with regard to current suggestions in Ottawa (The Financial Post, Nov. 27, Dec. 4) as to how the deadlock between Quebec and the Federal Government might be broken.

Ontario is anxious to see an end to the present unsatisfactory setup in which one province has to be dealt with separately from the rest. It tends to build up a feeling in Quebec that it's a case of one province against the rest, it's argued.

Premier Frost is also known to favor the setting up of a federal-provincial economic committee to look into common problems, such as measures for dealing with any period of increased unemployment, and to do the groundwork for the negotiations for renewal of the tax agreements which expire in 1957.

The committee, as visualized, would be composed of technical advisers of the 10 provinces and the Federal Government. Until Ottawa-Quebec tax differences are settled, however, chances of effective work by such a committee are not too good.

On the other hand, there's no inclination at Queen's Park to sit by quietly while special concessions are handed out to bring Quebec into the fold. This applies to any scheme which might be put forward as being of general application but which would in fact benefit only Quebec.

Help for All?

What's hoped for is some solution that will be helpful to all provinces. Ontario's expenditures are increasing all the time, and so are those of its municipalities. It is naturally anxious to increase its revenues to take care of this mounting demand for money.

No solutions broached so far have met with much favor at Queen's Park.

The idea that Quebec might be allowed to collect up to 90% of what its tax rental payments would be, for instance, is opposed on the grounds that it contains an element of special subsidy.

Under the present federal-provincial setup, the provinces have one of two options: (1) To accept a flat tax rental payment or (2) to accept a level of tax rental payment based on the tax yield the province would derive if it levied its own taxes.

All the provinces except Ontario have chosen the first option. Ontario chose the second because its potential tax yield is great enough to make this more lucrative.

Quebec, it's contended, would benefit more by taking the first option than by basing its tax rental on potential yields. Thus to let Quebec collect taxes up to 90% of what its tax rental might be, and to make these taxes fully deductible, would in effect, it's held, permit Quebec to levy relatively higher taxes than the other provinces without running the risk of making the excess ineligible for federal tax deductions.

$150 Million Montreal Bonds Will Be Needed During '55-60

MONTREAL (Staff) — Debentures totaling $150 millions will have to be sold by the City of Montreal over the next five years to finance public works already authorized, according to Finance Director Lactance Roberge.

This estimate was contained in a general review of the position of Montreal bonds, given by Mr. Roberge. The city's financial picture is likely to be in the news much more often in the immediate future, in view of the Paquette Commission's forthcoming report on the question of government in the metropolitan area. Thus the finance director's remarks take on added significance.

Of that $150 millions, he said, $82 millions will be used for capital expenditures payable by the city in general. The other $67 millions will go for local improvements payable by bordering proprietors and the city.

The $67 millions, in turn, is broken down into the city's share, $17 millions, and the proprietors' share, $50 millions.

Since the proprietors' share is self-liquidating, Mr. Roberge came up with a figure of $100 millions to be serviced out of general revenues of the city.

Can Montreal support this? Definitely yes, the finance director indicated.

He noted that the average maturity of the city debt now is less than 9½ years, while the annual requirements of general funds to service that debt drop year by year from $14 millions in 1955-56 to $4.8 millions in 1974-75.

"Thus, in the structure of the debt service as it stands now, there is room for the cumulative interest requirements of annual issues of 20-year debentures of some $10.2 millions, with in addition enough for the issue of some $30 million debentures maturing before 1975," he said.

He listed several points lending strength to the position of Montreal bonds:

1. The city's economic importance.

2. Today's social climate, which "precludes any possibility of a return to the difficulties which the city experienced in the thirties." At that time, Montreal shouldered $40 millions of deficits of adjoining municipalities, and spent $50 millions in direct relief to unemployed.

3. The "definite possibility of a better deal for Montreal" following the Paquette study.

4. The revenue-expenditure picture. Since 1944, Montreal has completed every fiscal period with a surplus, providing at the same time some $35 millions out of current revenues for capital expenditures and $13 millions for retirement of debentures before maturity.

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CHEMICAL CONSTRUCTION

CC-3

Safeway Sales Climb In Canada

Sales of Canadian subsidiaries of Safeway Stores Inc., Oakland, Calif., for the four weeks ended Dec. 4, 1954, were $12,794,351, 13.8% higher than the $11,247,965 for the same period last year.

Canadian sales for the 48 weeks ended Dec. 4, 1954, were $145,262,154, 7.7% higher than $134,838,877 for the same period last year.

Canadian subsidiaries operated 138 retail locations in November, 1954 and 137 a year earlier.

NATIONAL CANADIAN BANK

80th ANNUAL STATEMENT

Year Ending November 30, 1954

BALANCE SHEET

Liabilities

Deposits:		$ 551,610,676
Deposits by Government of Canada	$ 17,588,417	
Deposits by Canadian provincial governments	4,266,760	
Deposits by other banks	3,175,095	
Personal savings deposits payable after notice, in Canada, in Canadian currency	345,498,266	
Other deposits	181,082,138	
Miscellaneous:		3,277,631
Acceptances, guarantees and letters of credit	$ 1,066,409	
Other liabilities	2,211,222	
Shareholders:		18,148,228
Capital paid up	$ 7,000,000	
Rest account (including $2,000,000 transferred from tax-paid reserves)	11,000,000	
Balance of Profit and Loss Account	148,228	
		$ 573,036,535

Assets

Cash Assets:		$ 89,723,443
Gold and coin	$ 1,695,729	
Notes of and deposits with Bank of Canada	52,402,173	
Government and bank notes other than Canadian	694,832	
Deposits with other banks	2,723,681	
Cheques and other items in transit, net	32,207,028	
Securities: (Not exceeding market value)		213,495,413
Government of Canada direct and guaranteed securities	$ 157,464,640	
Canadian provincial government direct and guaranteed securities	31,941,197	
Other securities	24,089,576	
Loans and Discounts: (Estimated loss provided for)		260,638,793
Call and short loans to brokers and investment dealers, secured	$ 14,912,890	
Other current loans	244,125,829	
Mortgages and hypothecs insured under the National Housing Act, 1954	1,558,664	
Non-current loans	41,410	
Miscellaneous:		9,178,886
Bank premises at cost, less amounts written off	$ 8,036,306	
Customers' liability under acceptances, guarantees and letters of credit, as per contra	1,066,409	
Other assets	76,171	
		$ 573,036,535

NOTE—The assets and liabilities of Banque Canadienne Nationale (France), a branch operating as a subsidiary, are included in the above Balance Sheet.

PROFIT AND LOSS ACCOUNT

Profits for the year ended 30th November, 1954, after contribution to the Staff Pension Fund and after making transfers to Contingency Reserves out of which full provision has been made for bad and doubtful debts and depreciation of investments		$ 3,337,820
Written off Bank Premises	$ 564,716	
Provision for Federal Income Taxes	1,210,817	1,775,533
Net Profits after the foregoing deductions		$ 1,562,287
Dividends	$ 700,000	
Extra dividend, 20¢ per share, payable 15th December, 1954	140,000	840,000
Amount carried forward		$ 722,287
Balance at credit of Profit and Loss Account, 30th November, 1953		425,941
		$ 1,148,228
Transferred to Rest Account		1,000,000
Balance at credit of Profit and Loss Account, 30th November, 1954		$ 148,228

ANDRÉ LACASSE, Chief Accountant	ULRIC ROBERGE, General Manager	CHARLES ST-PIERRE, President

AUDITORS' REPORT TO THE SHAREHOLDERS

We have checked the cash and verified the securities of the Bank at the Chief Office at the close of the financial year as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1954, according to the best of our information and the explanations given us, and is as shown by the books of the Bank.

We have obtained all the information and explanations required by us, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

MAURICE CHARTRÉ, C.A.
of Chartré, Samson, Beauvais, Bélair & Cie
JEAN VALIQUETTE, C.A.
of Anderson & Valiquette
} Auditors.

Montreal, 15th December, 1954.

The Financial Post

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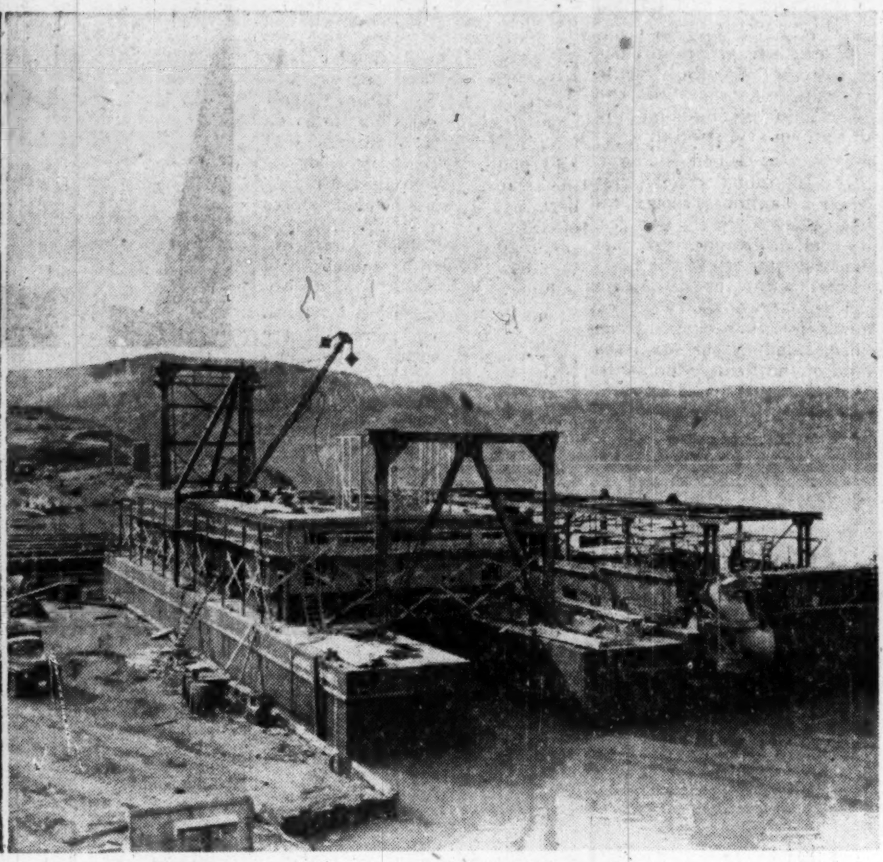
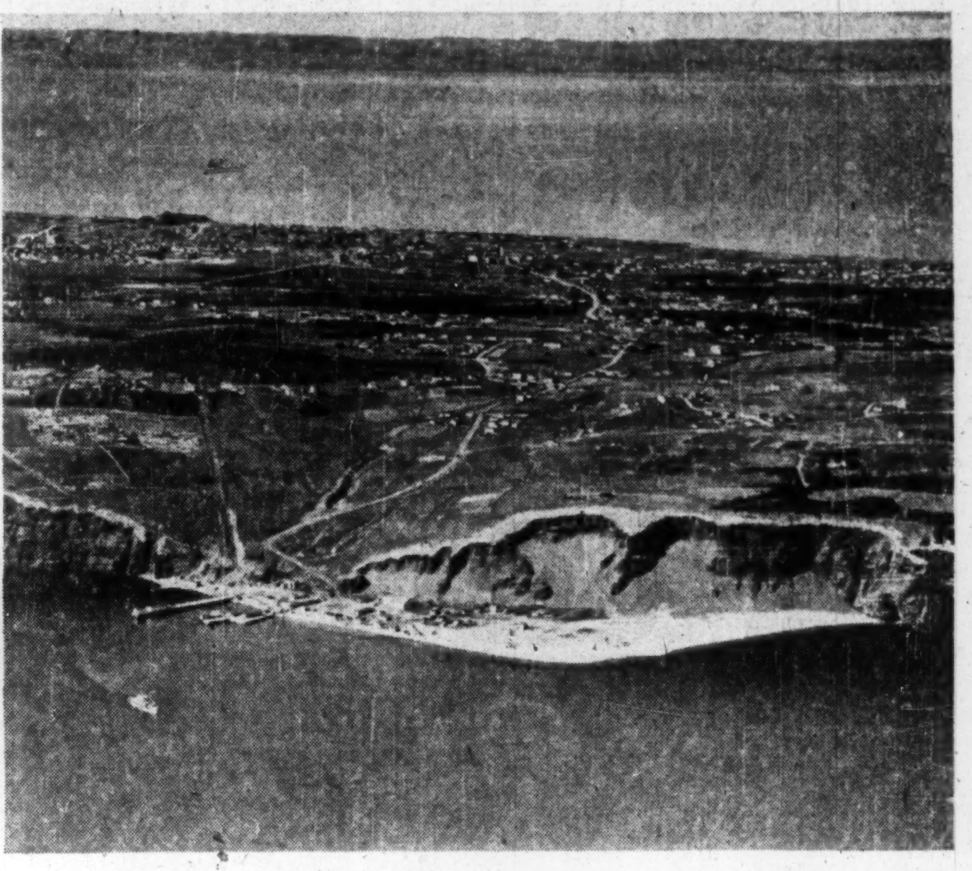
They Move Mud, Mountains to Get Our Iron

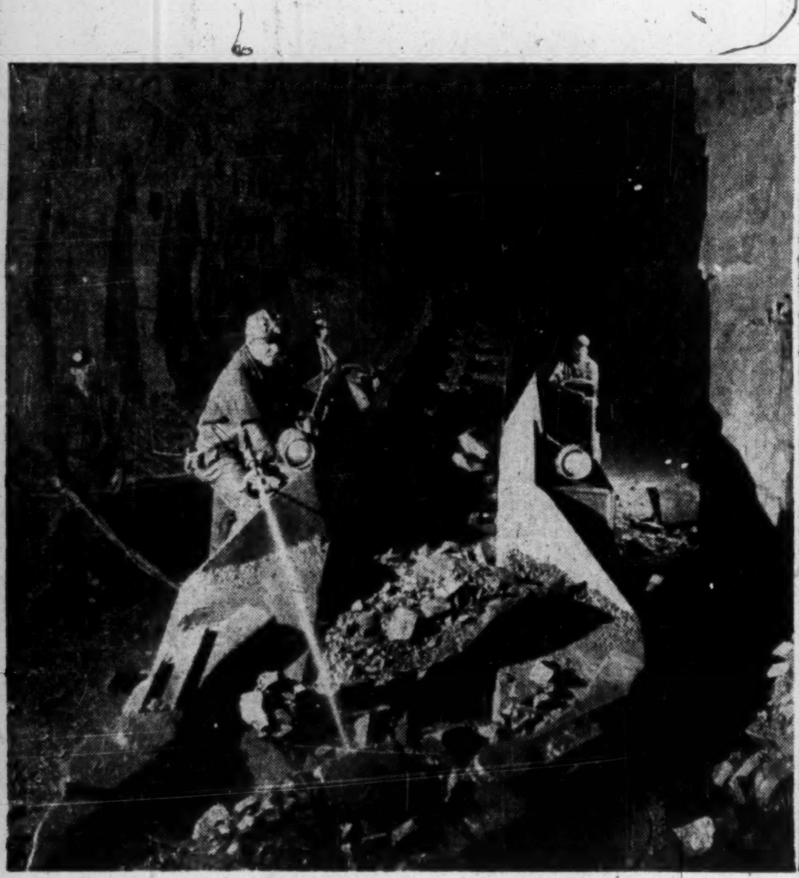
CANADA'S NEW IRON ORE and steel-producing capacity are providing the foundation of a great industrial nation. Steel ingot capacity: Over five million tons annually—70% more than at end of World War II. Iron ore production, with Newfoundland added, has tripled to the eight-million-ton level. Bethlehem's Marmora, Ontario, mine will produce early in 1955, with 400,000 tons of concentrate a year.



BIGGER THAN PANAMA is Ontario's Steep Rock iron range project of Inland Steel to place its Falls Bay project in production by 1960 at possibly about three million tons a year. Caland Ore Co., Inland's subsidiary, will remove 160 million cu. yds. of overlying silt — a bigger dredging job than the Panama canal. Inland estimates at least 50 million tons of high-grade iron ore in reserve.

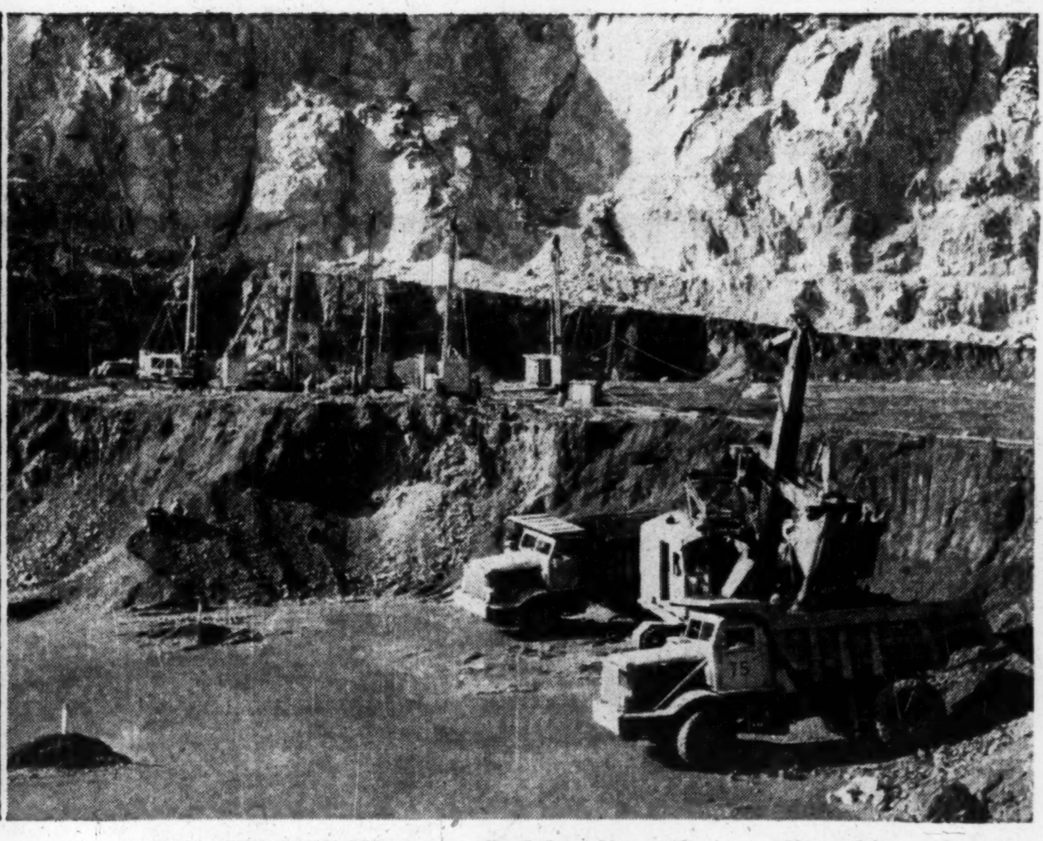


INCREASED PRODUCTION is anticipated from Newfoundland submarine iron mines of Belle Isle due to recent orders announced by Dominion Steel & Coal Corp. Start of conveyor belt mining climaxed Wabana expansion program in February, 1953, lifting capacity to 2.8 million tons annually. Britain is buying five million tons 1956-61 inclusive. Germany is taking 250,000 tons additional in 1955, has optioned five million tons more for 1956-61 period.



PICKS AND SHOVELS are literally relics of the past for iron mining. A high degree of mechanization features all Canadian iron mining. Here at Wabana — Canada's oldest iron ore-producing area — ore loading and transfer is effected with relatively small use of manpower.

IRON ORE WORKERS are high-spirited, well-paid individuals. They're hard workers, "worth their salt." At Atikokan, near Steep Rock, at Sept Isles and elsewhere, housing booms are in progress as the workers settle down on long-term projects which mean community growth.



THIS NEW OPEN PIT at Steep Rock Iron Mines (known as Hogarth) is bigger than original Errington open pit. Together with new Errington underground mine, this pit doubles iron-ore producing capacity as compared with original 1.2 million-ton capacity for Errington. Low ore demand curbed output in 1954.

IRON ORE OUTPUT spells modern communities based on large ore reserves. Here is Wawa, adjacent to sintering plant of Algoma Ore Properties (Algoma Steel subsidiary). Plant capacity was recently expanded 20% to 1.6 million tons of iron sinter a year but production maintained at level of 1.2 million tons in most of 1954.

SEVEN ISLES on the north shore of the St. Lawrence is another large Canadian community called into being at the beck of iron mining. At these docks 10 million tons of high-grade hematite iron ore a year will be handled with a generous flow of purchasing power into the economic veins of the countryside. This ore will bring Canada's output up to 16 million tons or more.

—Photos by George Hunter

THE WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING DECEMBER 17, 1954

Range 1954 High	Low	Div. R'te $	Y'ld Dec17 %	Company	Sales	Last Dec. 10	Week end. Dec. 17, 1954 H	L	Close
27	16½	‡.30	...	Abitibi	16813	26½	26½	26	26½
26½	25	1.12½	4.4	Do. 4½% pref.	1287	25½	26½	25½	26½
9	6	.50	5.9	Acadia Atlan.	910	8½	8½	8½	8½
106½	100	5.00	4.7	Do. 5% pref.	10	105½	105½	105½	105½
22½	17	1.20	5.4	Do. (A)	1250	22	22½	22	22½
8½	7	.40	5.6	Agnew Surp.	600	7½	7½	7½	7½
2.25	1.25	.	...	Albt. Dist.	18280	1.70	2.00	1.65	1.90
2.20	1.35	.	...	Do. V.T.	3700	1.60	1.95	1.65	1.85
48½	39½	.	...	Algoma Steel	9556	44½	48½	45	48
26½	23	1.00	3.8	Alum of Can p.	555	25½	26½	26	26
108	104	5.25	4.9	Do. 2nd pfd.	540	106½	107	106½	107
72½	46	▴2.00		Aluminium	8537	69½	70½	69½	70½
38½	25	*2.00	5.3	Ang. Cdn. Pulp	3535	37½	38½	37½	38
53	48½	2.80	5.3	Do. pref.	320	53	53½	53	53½
48	39	2.25	4.8	Ang. Can. Tel. p.	265	47	47½	47	47½
12	7½	.60	5.5	Ang. Nfld.	6660	10½	11	10½	10½
22½	20½	.	...	Anthes Imp.	500	21	22	21½	22
2.60	.75	.	...	Arcan Corp.	500	1.00	1.00	.90	.90
20	12½	‡.20	...	Argus	5321	19	20	19	20
101½	82½	4.50	4.6	Do. 4½% pref.	435	98½	99	98	98½
34	24½	1.00+.25		Asbestos	2620	31½	32½	31½	32½
18	15	‡.12½	..	Ashdown Hd. B.	250	15	15	14½	15
16½	10½	•	...	Atlas Steels	2455	15	14½	14	14
36	27½	1.00+*.20		Bk. Can. Nat.	1289	36	36	36	36
48½	35½	1.20+*.20		Bk. Montreal	12246	42½	44½	42½	44½
54½	42	1.60+‡.20		Bk. N. Scotia	12599	53½	54½	53½	53½
58	41½	‡43½+*.60		Bk. Toronto	605	55½	57	56	56½
11	2	.	...	Barcelona	6	9	8	8	8
60	40½	3.00	5.1	Bathurst Pr. A	1241	59½	59	58½	59
42	17½	*.75	...	Do. (B)	1540	38½	40	38	40
7½	6½	.40	6.2	Beatty Bros.	410	7	7	6½	6½
47	39½	2.00	4.3	Bell Telephone	19430	46½	46½	46	46
44½	35	2.50	7.1	Blue Ribbon, pf.	40	35	35	35	35
17	13½	1.00	5.9	Brant. Cord. A	450	16½	17	16½	17
9½	6½	‡.03+stk.		Brazilian Tr.	54214	7½	8½	7½	8
50	46½	2.90	6.2	Bridge & Tank p	35	47	47½	47	47
1.65	1.00	.	...	Do. Warr.	120	1.10	1.00	1.00	1.00
10½	5½	.	...	Bright, T. G.	20	10½	10½	10½	10½
22	17½	1.15	5.8	Do. 5% pref.	100	20½	20	20	20
23	15½	1.00+*.20		Br. Am. Bk. N'ts	215	22½	22½	21	21
30	20½	.85	2.9	Brit. Amer. Oil	14672	29½	29½	28½	29½
94½	78	4.00	4.3	B.C. Elec. 4% pf.	265	90	92	90	92
103½	90	4.75	4.6	Do. 4¾% pref.	262	102½	103½	102	102½
54	48	2.50	4.7	Do. 5% pref.	410	52½	53	52	53
50½	49½	2.25	4.5	Do. 4½% pref.	1560	50½	50½	50½	50½
9	5½	.40	4.5	B.C. Forest	12355	8½	8½	8½	8½
17	12	.75	4.5	B.C. Packers A	710	17	16½	16½	16½
13	9	•	...	Do. (B)	2025	12	12½	12	12
26	17½	1.00	3.9	B.C. Power	6454	25½	26	25	25½
44½	35	2.00	4.5	B.C. Tele.	2973	44	45	43½	44
.85	.70	.	...	B.C. Turf	1500	.83	.83	.83	.83
16½	8½	.	...	Brown Co.	4127	14½	14½	14½	14½
117	87	▴5.00	..	Do. 1st pref.	455	105	106	104½	105
52½	49½	▴3.00	..	Do. 2nd pref.	5	51½	51½	51½	51½
12½	8	•	...	Bruck S. Mills A	90	11	11½	10½	11½
6½	4	•	...	Do. (B)	550	5½	5½	5½	5½
47½	35½	1.80	3.9	Building Prod.	625	46½	47	46½	46½
28	19½	1.00+‡.50		Burlington Steel	195	27½	27½	27	27
75	51½	2.00+*.50		Burns & Co. A	10	62	66	65	66
59½	37½	3.00+*.50		Do. (B)	453	46	46½	45½	46½
8½	7	.45	6.0	Burrard D.D. A	200	8	8	7½	7½
3½	2½	.10	3.3	Canada Bread	150	2.85	3.15	3.00	3.00
53	46	2.50	4.8	Do. pref. B	60	53	53	52	52
143	84	*4.00	...	Canada Cement	864	138	139	135½	137

Range 1954 High	Low	Div. R'te $	Y'ld Dec17 %	Company	Sales	Last Dec. 10	Week end. Dec. 17, 1954 H	L	Close
23	20	1.20	5.2	Imp. Varnish	10	21½	23	23	23
55½	34½	2.50	4.7	Indust. Accept.	9051	50½	54	51½	53
51½	34½	1.50	2.9	Do. 5% $1.50 p.	50	50	51½	51½	51½
53½	39	2.00	3.8	Do. 5% p.$40p.	235	53½	52½	51	52½
9	8	.50	6.3	Ingersoll M. & T.	25	8½	8	8	8
12½	7	‡.40	...	Inglis, John	24315	7½	8½	7½	8
.55	.03		...	Do. Rts.	51674	.20	.55	.20	.45
3½	3		...	Inland Nat. Gas	58756		3.50	3.00	3.20
5.05	4.10	.24	4.8	Interior Brew B	100	4.95	5.05	5.05	5.05
6	3	*.10	...	Inter. Bronze	50	3½	3½	3½	3½
18	15	1.50	8.6	Do. pref.	100	17½	17½	17½	17½
38	29	1.60+*.40		Int. Metal Ind. A	788	34	35	33	35
105	96	4.50	4.3	Do. pref.	90	102½	105	105	105
57½	34½	▴2.00+*.90		Inter. Nickel	17406	55	56½	55	56½
135½	128	▴7%		Do. pref.	709	133½	134½	133½	134
13½	9	‡.25	...	Inter. Paints A	75	12½	13	12½	12½
85	53½	▴3.00‡■		Int. Paper	1080	82*	82	80	82
28½	18½	▴1.00	..	Int. Pete.	12931	26½	26½	25½	25½
136	78	2.40	1.8	Int. Power	25	133½	133½	132½	132½
38	28½	▴1.40	..	Int. Util.	1210	36½	37	36½	36½
37	30½	*1.80	..	Do. pref.	175	36½	36½	36½	36½
16	14	.80	5.7	Interp. Bldg. Cr.	25	14	14½	14½	14½
29	20½	*.45	...	Interp. Pipe	11504	28	28½	27½	28½
14	5½		...	Interp. Util.	305	13	13	12½	12½
10½	9½	*.30	...	Johnston Term.	200	10½	10½	10½	10½
25½	19½	1.50	7.1	Kelvinator	1000	21	21½	20½	21
22	17	1.00	4.6	Labatt, John	3823	21	22	21	21½
44	27½	1.60	3.6	Lake of Woods	7948	44	44	43½	44
150	136½	7.00	4.7	Do. pref.	155	150	150	150	150
18	8	.60	4.1	Lambert, Alf. A	100	15	14½	14½	14½
25	11½	.60	2.7	Do. (B)	625	23	22½	21	22
12	9	•	...	Lang, J. A.	214	10½	10½	10½	10½
17½	13½	.80	4.6	Laura Secord	415	17½	17½	17½	17½
14½	10½	.60	4.5	Laur. Accept. A	1240	13½	13½	12½	13½
21½	17½	1.20	5.7	Do. pref.	875	21	21½	21	21½
4½	1½		..	Do. Wts.	100	2.65	2.75	2.75	2.75
10½	8	.60	7.0	Lewis Bros.	470	8½	8½	8½	8½
47	37½	1.50	3.3	Loblaw A	1362	45½	45½	45	45
72½	40½	1.50	2.2	Do. (B)	1265	70½	70	66	67
61½	34½	▴1.00+*.25		Loblaw Inc.	75	58	58	58	58
.75	.50		..	Lon. Hose	40	.50	.75	.75	.75
17	16		...	Low. St. Law. Pr.	2345	16½	17	16½	17
21½	15½	1.00	5.0	Lowneys	65	20	20	20	20
71	54	2.00+*.75		Maclaren Pr.	204	70	69½	69	69½
26	17½	.50	1.9	MacMil & Blo A	145	25½	26	23	26
26½	17½	.80	3.0	Do. (B)	7090	25½	26½	25½	26½
88	81	5.00	5.7	Mailman Corp. p	5	88	88	88	88
20	18	1.00	5.1	Do. C.C. pref.	375	19½	19½	19½	19½
10	7	.50	5.3	Maple Leaf M.	1100	9½	9½	9½	9½
103	89	5.00	4.9	Do. pref.	10	102	101½	101½	101½
9½	7½	.60	6.5	Massey-Harris	39896	9½	9½	9½	9½
4.70	3.65		...	Maule Ind. Inc.	2300	4.70	4.70	4.45	4.55
5½	3	‡.06½	...	Maxwell Ltd.	100	3	3	3	3
18	12½	.60	3.6	McCabe A	200	16½	16½	16½	16½
37	26½	1.00	2.8	McColl Fron.	2916	34½	36	34½	36
101½	90	4.00	4.0	Do. pref.	55	100½	101½	101½	101½
11	10	.60+*.10		Melchers pref.	25	10½	11	11	11
2.50	.95	•	...	Mercury-Chip.	1500	1.40	1.35	1.25	1.25
126	85	*1.00	...	Mersey Paper	25	126	126	126	126
10	5½	♦♦*.25	..	Mexican Lt. com	2500	9½	9½	9½	9½
10½	7	*1.33⅓	..	Do. pref.	500	9½	9½	9½	9½
2.30	1.40	*.14	...	Mica of Can.	60	1½	1½	1½	1½
2.10	1.10		...	Midwest Ind.	23800	1.51	1.59	1.40	1.59
3.15	1.75	*.20	...	Milton Brick	700	3.10	3.10	3.00	3.05
21	15	1.00	4.8	Mitchell, Robt.	3380	47½	49½	44½	46½
49½	27½	‡▴.60	..	Minn. & Ont. P.	25	21	21	21	21

STOCKS NOT TRADED THIS WEEK

Company	Div. Rate $	Last sale	Dec. 17 Bid	Ask
Admiral Corp.	▴1.00	20	27½	27½
Agnew Surp. pf.	.55	9½	9½	9½
Amer. Cyanamid	▴2.00	46	48	48½
Andian Nat.	▴.40	8¼	7	8½
Ang. Can. Oil B	..	12½	12	..
Ashdown Hdw. A	.60	12¼	12¼	..
Assoc. T. & T. A	▴4.00+*2.00	97½	..	1.00
Auto Electric	.60+*.10	9½	9½	9½
Do. A	.50	9¼	9¼	..
Auto Fabric A	•	3.50	3.55	3.75
Do. B	•	1.50	..	1.40
Bates & Innes A	1.00	10	..	12
Beaver Lum.	3.00+*.50	80	85	90
Do. A	1.00	21	21	..
Do. pf.	1.40	30	29	..
Belding Cort.	*.55+‡.10	9½	9½	9½
Do. pf.	.70	13	11	13
Belgium Stores	•	6½	5	6½
Do. pf.	1.00	10	10¼	..
Bickle-Seag.	..	.25	.25	.50
Biltmore Hats	.40	5.00	5.00	5.00
Do. A	1.00	12½	13	13½
Bird Constr.	2.00+*.50	38	38	..
Blue Ribbon	..	9½	10	12
Bowes Co. Ltd.	..	12½	11⅞	..
Brant. Cord. B	..	7½	12	12
Brazilian Tr. pf.	6.00	98	96	98
Burnett Ltd.	..	3.75	..	..
Butterfly Hos.	•	5.00	..	5.00
Caldwell Linen	.80	13	..	13
Do. 1st pf.	1.50	25	..	23½
Do. 2nd pf.	.80	12	12½	13
Calgary Pr. 5% pfd.	5.00	105	105½	..
Canada Floor B	‡.20	13	13½	..
Can. Foils	.40	13½	11⅞	14½
Can. Forg. A	1.50	24	24	30
Do. B	..	1.00	90	..
Can. Safeway 2nd pfd.	5.00	105	105	106
Can. W. Cord A	.50	10	..	..
Can. W. Cable A	4.00	138	..	..
Canadian Arena	1.00	70	71	74½
Cdn. Bakeries	•	10	8½	9½
Cdn. Bronze pref.	5.00	106	105	..
Cdn. Celanese $1.00 pref.	1.00	21½	20	..
Cdn. Convert. A	..	3	3½	5
Do. B	..	4	4	..
Cdn. Fairb. pref.	6.00	126	125	..
Cdn. Food Prod.	•	1.75	1.80	2.00
Cdn. General Electric	†1.00+2.00	650	570	..
Cdn. G. Sec. B	‡10.00	112	139½	..
Cdn. Ice Mach.	*.10	4½	4½	6
Do. A	.80	11	10	12
Cdn. Int. I. Tr. pf.	5.00	92	92	100
Cdn. Oil 5% pf.	5.00	105	104½	..
Cdn. Pr. & Pa. Sec.	..	6	5½	6
Cdn. Propane	..	.55	..	.95
Cdn. Salt	..	10½	11¼	11½
Cdn. Tire	.60+*.10	68	66	73
Do. pfd.	1.00	21	21	..
Cdn. Wallpaper A	*.25	11½	11	13
J. B. Carter A	..	9.50	..	..
Catelli Food A	.50	22½	23	26
Do. B	1.00+*.25	36	35	..
Celtic Knit	1.00	10	10	16
Cent. Can. Invest.	.40	13½	16½	..
Do. pref.	5.00	101	101½	..
Cent. Nor. Air. A	.50	4.00	3.75	4.00
Do. B	..	4.00	..	..
Chatco Steel	..	4½	4	..
Do. pref	.50	6	6½	7
Cinzano A	4½d	.30	.50	..
Do. 5½% pref.	5½%	1.75	.70	..
Circle Bar Knit	..	4.75	..	4.75
Do. A	•	6.00	6.00	7.00
Claude Neon pref.	..	59½	59½	62
Coghlin, B. J.	‡.25+*.20	14½	14½	15
Coll. Terminal	‡.50+.50	12½	12	..
Do. pref.	‡.50+.50	12	12	..
Conduits Nat.	..	9½	9	9½
Cons. Fire Ins.	..	4.00	4.60	7.00
Cons. Tex. pref.	1.00	21	21	22
Cont. Can	*▴2.70	..	73½	74½
Cres. Cream. pref.	..	25	25	..
Crown Cork	2.00	44	44½	46
David & Fr. A	3.00	51	50	50½
Davis Leather B	..	3	3	3½
de Havilland A	*1.00	140	135	150
Disher Steel	*.50	10	10	13
Do. pref.	1.50	25	23	..
Dom. Ang. Inv. pref.	*8.00+6.00	240	230	..
Do. pref	5.00	99	92	..
Dominion Corset	.80	13½	12½	13½
Dominion Dairies	..	6	5½	..
Dom. Fabrics	*.60	9½	9½	9½
Do. 2nd pref.	1.50	20½	20½	..
Dom. Insur.	6.00+*1.00	160	165	..
Dom. Struct. Stl.	.40	42	..	..
Dom. Textile pref.	7.00	145	143½	..
Dom. Woollens	..	2.00	2.25	2.74
Donnell & Mudge	..	.35	.35	.40
Do. A	..	1.50	1.00	2.50
East Koot. Pr.	..	5.00	3.50	5.00
East. Theat.	*4.00	26	..	..
Electra Invest.	..	1.08	1.00	..
Enam. & Heat	.40	7	7	7½
Erie Floor & Wood A	.60	6	6½	7
Do. B	*.10	2.05	1.75	5.00
Estabrooks pref.	1.04	22½	19½	23½
Federal Fire	*2.00	46	48	..
Fibre Products	..	3.50	..	3.50
Do. pref.	•	6	..	7
Fisher & Burpe A	.80	14	14	..
Do. B ex rts.	*.50	7½	7½	..
Fittings	..	8½	8½	8½
Do. A	.60	10	10	10
Ford Motor B	*2.25+1.25	100	108	..
Freiman	.50+*.50	11	12	..
Do. pref.	4.50	94	82½	95
Gen. Discounts	..	10	7.50	..
Gen. Elec. Co.	▴*1.20	44	..	..
Gen. Prod. B	‡Stk.	46	..	..
Gord Belyea A	•	60	..	65
Gord. Mackay B	1.00	9	7	9
Goulds Pumps pfd.	▴1.00	..	14½	..
Grand & Toy	.60+*.40	23	30½	35
Gt. West Coal B	*.25	5½	5½	6
Great-West Life	2.00	198	190	198
Gt. West Saddl'y	2.00	22	20½	23
Green. Wire	.20+*.05	4.00	4.00	4.95
Growers Wine	..	2.15	2.20	..
Gurney Prod. Com.	..	4.25	2.55	4.25
Hahn Brass	1.00	16½	16	17½
Do. A	.80	15	15½	15½
Hamilton Cot.	*1.15	15½	..	16
Do. 5% pfd.	5.00	98	98	..
Hartz, J. F. A	.50	9½	9½	10½
Hayes Steel	1.50	33½	33½	34
Hendershot Pap. pref.	5.00	80	79	..
Hillcrest Coll.	..	.50	.45	..
Holden Mfg. A	.60	6.00	5.00	6.00
Do. B	..	.50	2.00	2.75
Holt Renfrew	..	52	65	..
Do. 1st pref.	5.00	96½	95½	..
Do. 2nd pref.	..	.55	..	..
Horner, F. W. A	.50	9½	10	10
Ho. De La Salle	..	18½	18	..
Hubbard Felt	..	1	..	3
Do. A pref.	1.50	12	10	14
Hughes Owens B	‡.10	..	7½	..
Do. pref.	1.60	25½	26½	..
Imperial Varnish pref.	1.50	30½	30½	..
Indust. Accept. 4¼% pref.	4.25	97	96	..
Do. 5% pref.	5.00	105	105	..
Inter-City Bak.	.80+‡.25	13½	..	20
Int. Mill. pref.	▴4.00	89	87	96
Int. Nickel $5 pref.	▴7%	6½	6½	..
Int. Paints pref.	1.20	25	24	..
Int. Pap. pref.	▴4.00	99½	..	..
Inter. State A	..	3	5	..
Do. B	..	.50	..	..
Invest. Found.	1.50	33	31	..
Do. pref.	3.00	53	53	..
Jam. Pub Ser.	1.00	16½	16½	17½
Do. pref.	7.00	103½	103½	105
Johns-Man.	▴3.00+*1.25	70	81½	82½
Journal Pub. Ot.	.80+‡.20	15	16	16
Langleys pref.	..	30	30	35
Laur. Accept. B	.60	22	20½	..
Lawson & Jones A	*Stk.	22	22	23½
Do. B	..	20½	20	..
Legare, pref	*2.00	25	25	..
Lindsay, C. W.	..	23	22	..
Do. pref.	..	150	*140	....
Loew's Theatres	4.00+*1.00	92	95	..
London Can. Inv.	*.18	4.10	4.15	..
London Hose A	•	3½	3½	4
Macklin Steel	*1.00	40	..	..
Do. pref.	5.00	98	93	..
Mailman Corp.	‡.25	20	19½	..
Man. & Sask. Cl. A	.40	5	5	..
Man. Sugar pref.	6.00+••3.00	102	102	..
M. L. Gardens	1.00+*.30	22	23½	25
McBrine pref.	1.00	10½	10½	13
McCabe Grain B	.60	17	16½	17½
Melchers	..	4.25	4.35	4.50
Mexican Trams	..	8	8½	9½
Mid. Pac. Gr.	*1.00	23	23½	24
Mitchell, J. S.	‡.25	37	38	37
Mod. Contain.	1.00	16½	16	..
Monarch Knit	..	7	6½	7
Do. 4½% pref.	•	65	..	70
Mon. Life 40% pd.	12%	155	170	..
Monarch Mtge.	2.00	38	..	38
Montreal Refrig. & S.	*2.00	39	37½	..
Moore Corp. pref. A	▴7.00	425	528	..
Do. pref. B	▴7.00	536	810	..
Do. pref. 4%	1.00	28	26½	27½
Mount Royal Rice	.80+*.20	10½	11	12
Nat. Hosiery A	.20	6	..	5½
Nat. Lead	*▴2.10	32	36½	37½
Neon Prod. of W. C.	*.90	29	28½	30
North Can. Mtge.	‡.50	50½	48	..
Oakville Wood	..	6½	6½	6½
Office Spec.	.40+*.20	11½	13	..
Ont. Beauty Sup.	..	25	25	..
Do. pref.	..	5½	..	..
Ont. Steel pref.	7.00	133	133	..
Pacific Coast Trms.	1.00+*.25	25½	25	26
Pacific Coyle	*.04	1.35	1.05	1.35
Paton Mfg. pref.	1.40	20	..	..
Paul, S. S.	..	7	6½	7½
Penmans pref.	6.00	107	107	113
People's Cr. Jr.	*.15	11½	11½	11½
Photo Eng.	2.00	40½	37	42
Pitt Plate Glass	▴2.55	51½	62½	63
Premier Trust	4.00	80	75	85
Que. Tel. A	.75	96	107	..
Quinte Milk A	.60+*▴.20	8½	8½	..
Do. B	▴▴*.20	3.60	3.65	..
R. & M. Bearings A	1.10+*.10	19	16½	..
Red Deer Br.	..	.66	..	..
Do. V.T.	..	.65	..	..
Renold-Cov. A	1.10+*.20	18	17½	..
Rivers Mill B	•	3	2	3½
Robertson, P. L. 5% pfd.	2.00	41	..	..
Do. 6% pfd.	1.20	21	22	22
Robinson Cotton	..	2.75	1.50	3.00
Robinson Little A	1.00	15	14½	15½
St. Law. Flour pref.	7.00	119	125	..
Sangamo	*.75	13½	..	14
Scarfe & Co. A	.80	14	14	14½
Do. B	.40	7½	6½	..
Scythes & Co. pref.	1.25	25	..	..
Shirriff's pref.	1.00	20½	20½	21
Silknit pref.	2.00	34	35½	..
Silverwoods B	.60	12	11½	12
Simon & Sons pref.	5.00	100	100	..
Slater N. pref.	..	45	44½	..
Sov. Life 25% pd.	7%	70½	70	80
Do. 20% pd.	7%	65	..	..
Stand Brands	*▴2.00+.15	34½	37½	37½
Stanley Brock B	.40	5	5	5½
Sterl. Trust	1.40+‡.20	38½	38½	..
Stovel-Adv. Press pref.	..	3½	3½	3½
Stowell A pref.	1.50	20	..	19½
Do. B	..	9	..	..
Suez Canal Cap	..	♦215	228	..
Do. Jo.	..	♦201	160	..
Do. Found.	..	♦226	..	..
Sun Publish.	*Stk.+.30	36	35½	..
Sup. Pete Com.	.80	18	18	..
Do. pref.	5.00	102½	103½	..
Tamblyn 4% pref.	2.00	51	49	51
Taylor Pearson 5% pref.	.80	10½	10½	10½
Tip Top Can. A	.50	5	6	8½
Tooke Bros. pref.	..	1.25	1.10	2.50
Toronto Iron	1.00+*.20	23½	22½	23½
Tor. Mtge	5.00+*.25	108	106	115
Tor. Savings	..	14	15	..
Traders Fin. B	‡.60	41½	40½	41
Do. 4½% pref.	4.50	101	99	101
Do. A Rights	1.00	16½	18½	..
Do. B Rights	1.00	16½	17½	..
Do. Warr	..	43½	50½	..
Un. Amuse. A	.50+*.15	11	10	12
Do. B	.50+*.15	9½	9	11½
Do. A V.T.	.50	10	9½	11½
United Can. Shs.	*.60	13½	15	..
United Corp. A	1.50	30½	..	30½
United Distill	..	10	10	9½
Viau Ltd.	2.00+‡1.00	55	56	75
Viceroy B	..	5.25	5.50	5.50
Victoria & Gr.	.80	21½	21½	..
Vir. Dare 5% pref.	1.25	15	15½	15½
Waterous Eqp.	♦♦*.25	8½	8	8½
Do. 6% pfd.	2.40	58	57½	58
Weston, Jack	.80	13	12½	..
Wellington Fire	*3.50	70	73	..
Wes. Mason pfd.	•	70	2.00	..
West. Grain	..	.30	..	..
Do. pref.	..	.60	..	..
West. Grocers	‡1.00	105	100	105
West. Koot. pref.	7.00	55	..	..
White Pass Y.	..	19½	18	19½
Willson Stat.	..	35	36	38
Do. pref.	5.00	99½	99	..
Wilson, J. C.	.70	6	5½	..
Wpg. Wint. Club	..	250	..	..
Woods Mfg.	*Stk.	27	26½	35
Wool Combing	..	3.55	3.55	5.50
York Knit. B	..	1	..	1.35
Zellers 5% pref.	1.25	26½	26½	..

▴U. S. funds. •Divd. deferred. ■Plus stk. divd. ♦♦Initial. ▴▴Participating divd. ■■On arrears. *Paid or payable in 1954. ‡Payable in 1955.

Mining Stocks

Company	Div. Rate $	Last sale	Dec. 17 Bid	Ask
Atlas Y'fe.	...	.12	.12	.14½
Band-Ore	...	.03	.03	.03½
Belle-Chib.	...	.07	.06	.10
Belleterre	*.10	2.85	2.80	3.50
Bouzan	...	.03½	.03½	.04
Bruce Cons.	...	.00½	...	.00½
Cent. Manitoba	...	.07	.08	.10
Clix-Ath.	...	.12	.22	.28
Coleman A	...	.08½	.10½	...
Coniagas	...	1.61	1.61	1.65
Cons. Can'd.	...	.05	...	...
Cons. C. Cad.	...	.05	.04½	...
Cons. Que. G.	...	.41	.41	.49
Cryderman	...	.01	.01½	.03
Dickstone C.	...	.05	.03	.05
Flin Flon	...	.01	.00½	.01
Forty-Four	...	.80	.75	.80
Gold Lake	...	.01½	.01	.02
Grandoro	*.02	.42	.41	...
Great Falls	...	.04	.04	...
Island Lake	...	.01	...	.01
Kerr Lake	...	.35	.28½	...
Lencourt	...	.08½	.08½	.10
Mandalay	...	.00½	.00½	...
Martin McN.	...	.09½	.07½	.09½
Matachewan	...	.12½	.12½	.17
Monpas	...	.03	.03½	.03½
L. Louvre	...	.04	.03½	.04
Normandy	...	.01½	.01½	...
Packsack	...	.01½	.01	.01½
Porc. Prime	...	.04½	.04	.05½
Privateer	...	.04	.03	.05
Quatsino	...	.16	.14½	...
Red Cloud	...	.01½	.01½	.02½
Red Crest	...	.03	.02½	.03½
Red Hawk	...	.03	.01½	.03
Rice Lake	...	.00½	.01	.02
Ryanor	...	.10	.09½	.10½
Scotia Gold	...	.01½	...	...
Sheep Creek	...	.80	.75	.90
S. American G.	▴*.30	1.10	...	...
Star Lake	...	.01	...	.01
Suquash Coll.	...	.05	...	...
Utica	...	.01½	.01	.02
Vananda '48	...	.01½	.01½	.03½
West Ex.	...	.52	.51	...
Wiltsey C.	...	.07½	.07	.07½
Winnipeg R. Tin	...	.03	.02½	.04

Oil Stocks

Company	Div. Rate $	Last sale	Dec. 17 Bid	Ask
Aldina	...	.02	.02½	...
Apex	...	.04	.04½	.04½
Barons	...	.05	.04½	.05
Canadian Prospect.	...	7.00	6.25	7.20
Coastal	...	.70	.70	...
Command	...	1.00	.85	...
Commoil	*.40	3.80	3.60	3.80
Cons. W. Pat	...	1.85	1.85	1.95
Fortune	...	.17	.17	.19
Golden SP.	...	.06	...	.09½
Marvel	...	.02½	.02½	.03
North Cont.	...	.02½	.02½	.02½
Northland	...	.26	.25	.27
Share Oils	...	.07	.06	...
So. West Pete.	...	.36	.35½	.41½
Sturgeon	...	.08	.06½	.10
Vanalta	...	.26	.20	.26
Vulcan	...	.24	.25	.28

▴U. S. funds. ‡Paid in 1953. •Dividend deferred. *Paid or payable in 1954.

Bond Redemptions

Bond issues:	Rate	Year	Date	Cal. Pr.
*Acadia-Atlantic Sugar Ltd., 1st mtge. coll. Tr. seri. bds.	3%	'55	Dec. 23	$102
*Acadia-Atlantic Sugar Ltd., 1st mtge. coll. Tr. S.F. bds.	3½%	'65	Dec. 23	$103
■Interprov. Pipe Line	3½%	'70	Jan. 1	$101.40
‡Rio de Janeiro Tramway, Lt. & Pwr. Co. Ltd. 50 yr. Mtge. Bds., Cal. A	5%	'58	Apr.	
♦Rio de Janeiro Tramway, Lt. & Pwr. Co. Ltd. Oblig. de Cinq Cents Francs, Cal. B & C	5%	'58	Apr.	
▴Geo. Weston Ltd. 15 Yr. S. F. debs.	4½%	'68	Jan. 15	$101.80
*White Motor Co. 1st Mtge. Bds. Ser. A	2¾%	'55-'59	Dec. 24	$101

*All outstanding.
■$486,000.
▴$460,000.
‡$612,704.
♦$43,434.

Stock Redemptions

Company:	Rate	Date	Price
*Interprovincial Brick Co. Ltd., cl. A & B cum. pf. $100 par	8%	Dec. 31	■$105.00
*Zeller's Ltd. cum. pf. $25 par	6%	Dec. 28	■$27.50
*Zeller's Ltd cum. pf. $25 par	5%	Dec. 28	■$26.25

■Plus accrued dividends.
*All outstanding.

Company Meetings

Date	Company	Place
Dec. 23	Dragon Oils	Toronto
Dec. 23	Marwayne Oils	Toronto
Dec. 23	West-Tung. Cop.	Vancouver
Dec. 24	Commonwealth Pet.	Calgary
Jan. 5	Cdn. Petrofina Ltd.	Montreal
Jan. 5	Liberal Pet.	Edmonton
Jan. 10	So. Am. Gold & Plat.	New York
Jan. 11	Banque Cdn. Nat.	Montreal
Jan. 13	Royal Bank	Montreal
Jan. 14	John Labatt Ltd.	London
Jan. 18	Mercantile Bank	Montreal
Jan. 26	West. Can. Brew.	Vancouver
Jan. 27	B.C. Forest Prod.	Vancouver
Jan. 28	O'Brien G. M.	Montreal

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 11	Pulp and paper 9	Milling 3	Oils 5	Textiles and clothing 10	Food and allied prod. 14	Beverages 10	Bldg. mater. 15	Power and traction 9	Banks 8	Total utilities 14	Total co's 101
*1953 to date:												
High	544.5	818.5	160.6	173.6	410.5	152.0	526.5	380.5	161.2	225.7	180.4	205.2
Low	69.7	51.5	61.2	41.2	78.4	79.5	79.3	66.7	60.2	60.0	62.5	61.1
1954 Monthly Figures:												
Jan.	395.3	562.6	129.3	126.1	168.8	122.9	434.5	283.6	131.5	185.5	149.1	157.4
Feb.	418.4	589.4	129.9	136.3	158.4	123.6	447.9	286.8	134.0	189.6	151.9	163.2
Mar.	432.8	596.4	131.1	136.4	166.3	123.8	440.0	285.2	137.2	192.5	153.3	165.0
Apr.	456.8	628.5	133.9	145.4	163.1	124.6	453.6	298.6	145.0	195.4	159.5	173.6
May	474.2	679.8	137.6	147.6	153.2	133.0	476.4	322.8	152.6	204.0	162.4	179.5
June	469.1	685.1	134.0	142.8	151.4	136.8	474.5	321.7	151.8	212.2	167.2	180.5
July	503.6	718.4	138.3	138.8	151.6	135.5	480.1	331.4	156.4	216.4	169.4	182.3
Aug.	530.8	744.3	145.4	142.1	161.2	142.6	497.6	348.5	156.7	217.3	170.2	187.0
Sept.	510.7	750.1	151.9	145.0	154.1	144.5	509.4	347.6	159.0	215.0	170.4	189.5
Oct.	499.0	740.0	156.8	150.8	167.0	144.9	500.0	342.7	158.8	217.4	171.4	190.2
1954 Weekly Figures:												
Nov. 4	513.0	761.7	160.6	158.3	169.3	149.5	507.5	341.6	156.5	221.5	171.0	196.2
Nov. 11	522.0	732.0	158.9	157.9	168.7	150.9	525.8	353.6	154.7	225.3	174.0	199.2
Nov. 18	528.4	800.0	155.3	157.2	171.6	151.3	519.4	365.4	156.5	225.7	174.9	199.7
Nov. 25	529.4	813.4	158.8	160.3	171.0	152.0	526.5	374.1	158.9	224.5	175.6	202.9
Dec. 2	543.6	805.2	157.1	158.4	171.3	148.8	517.0	374.3	156.9	221.2	177.6	202.2
Dec. 9	544.5	818.5	158.9	164.3	172.2	151.2	521.1	380.5	161.2	223.0	180.4	205.2

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus	20 Golds	15 B.M.	15 W.O.
Dec. 20	375.28	79.54	157.64	97.66
Dec. 17	375.06	79.77	157.65	95.35
Dec. 16	375.15	80.52	156.67	95.02
Dec. 15	373.40	80.36	156.50	94.88
Dec. 14	374.15	80.21	156.47	93.27
Month Ago	371.15	76.86	153.88	93.81
Year Ago	312.80	66.53	133.42	85.51
1954 High	375.65	80.74	157.82	102.11
1954 Low	311.85	67.74	136.96	83.06

Montreal Stock Exchange Averages

	10 Util.	20 Indus	30 Com	10 Pprs.	15 Golds
Dec. 20	118.7	242.4	201.2	1126.23	65.74
Dec. 17	119.0	242.3	201.2	1119.50	65.49
Dec. 16	118.5	243.1	201.6	1116.87	65.82
Dec. 15	117.8	241.0	200.0	1111.53	65.47
Dec. 14	117.9	241.6	200.3	1107.94	65.40
Mon. Ago	116.1	235.2	195.5	1099.72	61.51
Year Ago	93.4	184.2	153.9	768.97	49.69
1954 High	119.0	243.1	201.6	1126.23	65.89
1954 Low	92.4	182.0	153.4	767.09	48.69

Dow-Jones Closing Stock Averages

	30 Indus.	20 Rails	15 Util.	65 Stocks
Dec. 20	397.32	144.06	61.61	147.92
Dec. 17	394.94	142.47	61.62	146.96
Dec. 16	393.14	140.20	61.65	145.93
Dec. 15	388.92	137.16	61.26	144.00
Dec. 14	387.03	136.58	61.37	143.49
Month Ago	379.49	129.97	60.60	139.70
Year Ago	282.99	96.38	52.70	107.18
1954 High	397.32	144.06	61.65	147.92
1954 Low	279.87	94.84	52.22	106.03

Unlisted Stocks

(Compiled by Intercity Securities Corporation Limited, Toronto)

December 20, 1954

	Bid	Asked
Alexander Bldg. Corp.	5.00	8.00
Algoma C. & H.B. com.	11.75	12.50
Do. pfd.	1.25	....
Allens Toronto Units	43.00	....
Anglin Norcross pfd.	.50	....
Anglo Can Telephone A.	12.15	12.75
Argus Corp. 2nd pfd.	49.75	50.50
Ash Temple com.	2.50	3.00
Bowes Ltd. 1% pfd.	.65	.75
Brinton Peterboro Carpet	....	46.00
B. C. Sugar	99.00	101.00
Brit. Mtge & Trust	210.00	217.00
Brockville Trust & Sav.	62.00	65.00
Can. Crushed St. 6% pfd.	93.50	....
Can. Cons. Grain com.	5.00	8.00
Can. Cons. Grain Units	88.00	....
Can. Foreign Sec.	10.75	12.00
Can. Delhi Pete	9.00	10.00
Can. Foreign Invest.	27.00	....
Can. Motor Lamp	20.25	22.00
Can Refractories pfd.	94.00	....
Can. West Nat. Gas pfd.	18.25	19.00
Capital Wire Cloth com.	14.00	....
Carlton Club	110.00	....
Chase Dr. A. W. com.	1.85	....
Colonial Stmshp. com.	190.00	215.00
Do. pfd.	67.00	71.00
Commercial Life 10% pd.	13.00	....
Concourse Bldg. V.T.	40.00	....
Cons. Toronto Land W.	.25	....
Crown Life Insce.	1,875.00	1,950.00
Deben. & Sec. 6% pfd.	90.00	93.50
Detroit Internat. Bridge	17.00	18.00
Dom. Can. Gen. Insce.	475.00	....
Dom. Linseed pfd.	3.00	....
Dom. Manufacturers pfd.	90.00	....
Do. com.	1.25	....
Dom. Royalty Corp.	.48	.55
Dover Industries	9.25	9.65
Empire Acceptance	6.25	7.50
Essex Packers com.	2.00	....
Do. pfd.	2.00	....
Galt Brass	38.50	....
Goderich Elev. & Transit	21.00	22.00
Granite Club	14.00	14.75
Gr. Br. & Can. Inv. com.	4.85	....
Do. pfd.	110.00	....
Gt. Lakes Power com.	13.00	13.50
Gt. West Life Assce.	191.00	195.00
Guarantee N. Amer. f. pd.	410.00	430.00
Do. 20% pd.	84.50	....
Halifax Insurance	12.75	13.75
Heaps Waterous	2.00	2.50
Highland Dairy pfd.	43.00	....
Homewood Sanitarium	91.00	95.00
Hudson's Bay Co.	19.75	20.25
Humber Amusement Pier	.31	....
Humberstone Shoe	12.50	14.00
Ingersoll Mach Tool B	5.00	....
Ingram & Bell pfd.	104.00	....
Indus. Mtge. & Trust	68.00	....
International Holdings	17.50	18.75
Jenkins Bros. com.	35.00	....
Lambton Golf Club	200.00	....
Lambton Loan, Sarnia	79.50	....
Lawson & Jones 1% pfd.	.65	....
Lond. Can Inv. $3.00 pfd.	47.00	50.00
Do A	37.50	....
London Life Assce.	62.00	....
Manufac. Life Insce.	62.00	....
Maxwell Ltd $6.00 pfd.	75.00	80.00
Medical Arts Bldg., Tor.	43.50	45.00
Monarch Life 40% pd.	175.00	....
Nat. Sewerpipe new pfd. (with bonus com.)	12.75	....
New Brunswick Tel.	12.50	....
Niagara L. Arch Bridge	60.00	63.00
Northern Telephone	1.95	2.10
Oakville Golf Club	20.00	30.00
Oakville Wood 6% pfd.	89.00	94.00
Para. Oshawa Theatres	12.50	....
Park Lawn Cemetery	1.35	....
Pembina Pipe Line com.	8.10	8.50
Do. 5% pfd.	53.50	54.25
Prairie Royal Trust Units	2.25	....
Prudential Trust	16.00	....
Reliance Pete A & B	20.50	....
Do. pfd.	42.00	....
Ritchie Cut Stone pfd.	13.25	....
Rob. Jones Whitman pfd.	20.00	25.00
Royal Oak Dairy B	2.75	....
Saskatoon Pipe Line	8.25	9.50
Sawyer Massey com.	3.25	4.50
Second Stand. Royal pfd.	.03	.04
Sincennes McNaugh. Line	3.25	....
Skyway Drive-In Theatre	1.25	2.00
Sover. Life 25% pd.	70.00	75.00
Stanfields A & B	10.50	....
Standard Fuel pfd. Div. $2.25	35.00	36.50
Do. com.	2.00	2.75
Summit Golf	18.00	25.00
Sun Life Assce.	242.00	246.00
Toronto London Inv.	2.20	2.50
Union Accept 6% pfd. (with warr's. for com. at $11.00)	24.00	25.50
Union Accept. Warrs. (for com. at $11.00)	4.00	4.75
United Can. Shares	14.50	15.50
United Steel 6% pfd.	26.00	27.00
Universal Cooler pfd.	85.00	90.00
Waterloo Mfg.	8.50	9.00
Western Assce.	122.00	....
Wood Alexander 7% pfd.	85.00	90.00

Record of Financing

Sales by Municipalities, Provincial and Dominion Governments, Offerings of Corporation and Foreign Securities

DOMINION

Government of Canada Treasury Bills—Due Mar. 18, 1955 and Sept. 16, 1955, $40,000,000. Issued Dec. 16, 1954. Sold at $99.732 to yield 1.08% and $99.000 to yield 1.35%.

MUNICIPAL

Village of Drummondville West, P.Q.—3½% and 4% debentures, due Nov. 1, 1955-64-74, $150,000. Issued Dec. 2, 1954. Sold at $96.22 to J. E. Laflamme Limited, La Corporation de Prets de Quebec, Grenier, Ruel & Co. Inc. and Garneau, Boulanger Limited.

School Commission of Delage, P.Q. — 3½% and 4½% debentures, due Dec. 1, 1955 and Dec. 1, 1956-74, $27,000. Issued Dec. 3, 1954. Sold at $95.75 to St. Onge & Fournier.

Town of Beloeil, P.Q.—3% and 3½% debentures, due Jan. 1, 1956-66-71, $186,000. Issued Dec. 6, 1954. Sold at $94.82 to A. E. Ames & Co. Limited.

Parish of Orsainville, P.Q.—3½ and 4% debentures, due Jan. 1, 1956-66-70, $33,000. Issued Dec. 6, 1954. Sold at $97.07 to Credit-Quebec Inc.

City of Port Arthur, Ontario—4½% debentures, due Nov. 30, 1955-74, $1,165,727. Issued Dec. 6, 1954. Sold at $102.71 to Dawson, Hannaford Limited, McLeod, Young, Weir & Co. Limited and Harris & Partners Limited.

City of St. Catharines, Ontario—3¼%, 3½%, 3¾% and 4¼% debentures, due Dec. 1, 1955-59-64-74, $444,316. Issued Dec. 6, 1954. Sold at $104.326 to Imperial Bank of Canada and Dominion Securities Corp. Limited.

Parish of St. Joachim-De-Chateauguay, P.Q.—3½% and 4% debentures, due Nov. 1, 1955-64-69, $45,000. Issued Dec. 6 1954. Sold at $97.22 to Belanger Inc.

Mun. of St. Simon-De-Drummond, P.Q.—3½% and 4% debentures, due Dec. 1, 1955-64-74, $155,000. Issued Dec. 6, 1954. Sold at $96.61 to A. E. Ames & Co. Limited.

Township of Widdifield, Ontario—5½% debentures, due Dec. 15, 1955-74, $40,000. Issued Dec. 6, 1954. Sold at $99.25 to Wood, Gundy & Co. Limited.

City of Belleville, Ontario — 3¾% and 4½% debentures, due Dec. 15, 1955-69-74, $766,113. Issued Dec. 7, 1954. Sold at $101.326 to Royal Securities Corp. Limited and Imperial Bank of Canada.

School Commission of Town of Megantic, P.Q.—3% and 4% debentures, due Dec. 1, 1955-59-74, $428,000. Issued Dec. 7, 1954. Sold at $97.39 to Credit Interprovincial Ltee.

Town of Smiths Falls, Ontario—3¼% debentures, due Dec. 15, 1955-69, $75,000. Issued Dec. 7, 1954. Sold at $97.65 to Bell, Gouinlock & Co. Limited.

Protestant School Commission of Gaspe, P.Q.—3½%, 4% and 4½% debentures, due Jan. 1, 1956-59-64-75, $390,000. Issued Dec. 3, 1954. Sold at $95.09 to Credit Interprovincial Ltee.

School Commission of St. Prime, P.Q.—3% and 4½% debentures, due Nov. 1, 1955-64-74, $95,000. Issued Dec. 8, 1954. Sold at $96.55 to Clement, Guimont Inc. and J. T. Gendron Inc.

Township of Nepean, Ontario—4¼% debentures, due Oct. 1, 1955-74 and Nov. 1, 1955-74, $180,000. Issued Dec. 9, 1954. Sold at $101.86 to James Richardson & Sons.

Mun. of Ste. Monique, P.Q. — 4% and 4½% debentures, due Oct. 1, 1955-64-74, $50,000. Issued Dec. 9, 1954. Sold at $92.00 to Grenier, Ruel & Cie. Inc.

Shell Lake School Unit No. 63, Sask.—4½% debentures, due Oct. 1, 1955-64, $100,000. Issued Oct. 29, 1954. Sold privately to James Richardson & Sons.

Town of Meaford, Ontario—4% debentures, due Dec. 15, 1955-69, $16,200. Issued, Nov. 30, 1954. Sold at $100.00 to A. E. Ames & Co. Limited.

Village of Erin, Ontario—4¼% debentures, due Dec. 15, 1955-74, $83,750. Issued Nov. 24, 1954. Sold at $101.343 to Midland Securities Corp. Limited.

Shellbrook Hospital District, Sask. — 5% debentures, due Feb. 1, 1956-75, $106,000. Issued Dec. 1, 1954. Sold privately to James Richardson & Sons.

Town of Kenora, Ontario—3¾% debentures, due Dec. 1, 1955-74, $50,000. Issued Dec. 3, 1954. Sold at $100.90 to James Richardson & Sons and syndicate.

District of North Cowichan, B.C.—4% and 4¼% debentures, due Oct. 15, 1955-69, $530,000. Issued Dec. 1, 1954. Sold at $100.276 to McDermid, Miller and McDermid Limited.

CORPORATE

Kelvinator of Canada Limited—3¾% debentures, due Sept. 1, 1969, $1,500,000. Issued Dec. 9, 1954. Offered at $99.00 by A. E. Ames & Co. Limited.

McCabe Grain Company Limited—4½% first mortgage bonds, series "A," serial bonds due Dec. 1, 1955-61 and sinking fund bonds due Dec. 1, 1974, $2,000,000. Issued Dec. 9, 1954. Offered at $99.50 by Gairdner & Co. Limited, Hagar Investments Limited, Oldfield, Kirby & Gardner Limited, Sydie, Sutherland & Driscoll Limited and Okanagan Investments Limited.

Oil Stocks (Continued)

1.01	.29	....	....	Cdn. Oil & Gas	61,780	.55	.60	.49½	.53
1.70	1.00	....	....	Cdn. P. L. & P.	85,748	1.55	1.70	1.48	1.50
5.25	2.01	....	....	Cdn. Williston	25,615	3.85	5.25	3.85	5.05
3.35	1.30	....	....	Canso Gas	8,167	1.48	1.95	1.60	1.90
4.10	1.55	....	....	Canso Pet.	15,665	2.25	2.60	2.30	2.58
11.25	3.85	....	....	Canso Prod	3,835	5.00	5.60	5.00	5.35
3.85	1.00	....	....	Canso Warr	3,500	1.40	1.40	1.30	1.35
.25	.10	....	....	Cas. O & G	10,000	.21	.20	.20	.20
5.75	3.70	....	....	Cent. Expl.	1,920	4.85	4.80	4.50	4.60
2.50	1.10	....	....	Cent-Leduc	18,200	1.31	1.35	1.25	1.31
.40	.10	....	....	Century	26,200	.34	.34	.27	[illegible]
.30	.13	....	....	Cham'lain	38,300	.23	.25	.20	.23
1.80	.82	....	....	Charter	57,025	1.35	1.75	1.38	[illegible]
3.25	1.00	....	....	Claybar	2,700	1.50	1.25	1.00	1.25
5.00	3.75	.35	....	Common P.	500	4.20	4.20	3.90	3.95
.29	.10	....	....	Cons. Allen	16,100	.14	.14½	.13	.13½
.45	.16	....	....	Cons. Cord	5,200	.17½	.25	.17	.20½
.65	.35	....	....	Con East C	2,956	.44	.45	.40	.45
.08½	.02½	....	....	Con Gr'se C	2,666	.04	.04	.04	.04
3.90	1.20	....	....	C. Mic Mac	69,655	2.50	2.75	2.49	2.70
.20	.09	....	....	Cons. Peak	24,141	.11	.13	.12	.12
.25	.10	....	....	Dalhousie	2,000	.19	.19½	.18	.19
2.25	1.00	....	....	Del. Rio	37,100	1.02	1.10	1.03	1.03
2.05	1.21	....	....	Dev. Leduc	26,800	1.37	1.66	1.40	1.63
8.50	3.80	....	....	Dome	3,310	4.45	4.45	4.25	4.30
.25	.07	....	....	D. Minerals	89,300	.18	.19½	.18	.19½
.43	.10	....	....	Dragon	45,600	.12	.15	.11	.12
.32	.07	....	....	Edoran	28,800	.13½	.14	.12½	.14
1.20	.20	....	....	Emp. Oil	10,600	.27	.33	.25	.30
2.10	.99	....	....	Fargo	185,450	1.52	1.65	1.45	1.50
5.50	3.05	....	....	Fed. P.	14,385	3.45	3.60	3.30	3.45
.06½	.02	....	....	Freehold	1,650	.02½	.02	.02	.02
.20	.12	....	....	Futurity	10,500	.13	.18½	.11	.18½
.78	.29	....	....	Gas. Expl.	70,800	.60	.78	.60	.62
1.60	.18	....	....	Gaspe	5,300	.20	.23	.18	.20
.24	.07	....	....	Gateway	19,100	.10	.16	.10	.16
7.00	4.70	.20	4.2	Gen. Pet.	2,200	4.90	5.00	4.75	4.75
7.00	4.75	.20	4.1	Do. "A"	900	4.75	4.95	4.85	4.85
22.50	7.95	....	....	Gt Plains	3,365	19.00	20.00	19.50	19.87½
3.55	1.00	....	....	Gt. Sw't Gr.	121,881	2.38	2.78	2.35	2.70
8.05	5.55	....	....	Gridoil	20,500	6.90	8.05	7.00	[illegible]
.12	.03	....	....	Hargal	1,050	.04	.04	.03	.04
.53	.25	....	....	Henderson	3,000	.27½	.27½	.27	.27½
.30	.10	....	....	High Crt.	12,200	.15	.14½	.13	.14½
.18	.08	....	....	High Sarcee	3,500	.12	.12	.12	.12
6.50	5.00	.25	....	Hi-Tower	150	5.62½	5.50	5.50	5.50
10.25	6.75	....	....	Home	6,138	7.25	7.65	7.30	7.40
8.20	6.00	....	....	Husky	2,954	7.25	7.30	7.00	7.00
.12½	.04½	....	....	Hy-Charger	200,600	.10½	.11½	.09½	.09½
3.90	1.40	....	....	Jasper	14,500	1.58	1.69	1.56	1.57
.23½	.10½	....	....	Jump. Pound	3,000	.16	.17	.17	.17
2.15	1.41	....	....	Jupiter	3,800	1.55	1.57	1.50	1.55
1.20	.23	....	....	Keno	25,010	.28	.28	.24	.28
1.80	1.00	....	....	Kroy	5,800	1.08	1.12	1.05	1.05
.35½	.20	....	....	Leduc Cal.	4,800	.27	.28	.25	.28
4.15	.93	....	....	Liberal	154,600	2.90	3.55	2.81	3.40
.18	.06½	....	....	Long Is. P.	26,250	.07½	.09	.07½	.08½
.56	.26	....	....	Marigold	21,800	.36½	.37	.32	.32
.37	.12	....	....	Marwayne	5,200	.13½	.14½	.12	.12½
.15	.06	....	....	Mercury	3,700	.07½	.07½	.07	.07½
.14½	.05	....	....	Merland	1,000	.07	.07	.07	.07
8.55	5.80	....	....	Merrill Pet.	13,070	7.20	8.10	7.35	8.05
.67	.38	....	....	Midcon	20,010	.39	.42	.38	.40
.45	.18	....	....	Mill City	13,800	.22	.24	.20	.21
.23	.10	....	....	Montoco	6,500	.13	.12	.10½	.12
.49½	.15	....	....	Naco	500	.18	.20	.20	.20
2.16	1.40	....	....	Nat. Pet.	800	1.55	1.60	1.55	1.60
1.59	1.00	....	....	N. Bristol	53,455	1.27	1.27	1.22	1.24
2.70	1.70	....	....	N. British	23,818	2.56	2.58	2.42	2.45
1.29	.45	....	....	N. Concord	19,313	.60	.70	.52	.65
.76	.36	....	....	N. Cont.	27,250	.44	.46	.42	.46
.30	.11½	....	....	N. Davies	1,000	.13	.13½	.13½	.13½
.24½	.07½	....	....	N. Devon	23,500	.09½	.10	.09½	.09½
.07½	.03½	....	....	N. Pacalta	5,040	.03½	.04	.04	.04
.09	.04	....	....	New Ranch	19,700	.07	.07	.06½	.07
.25	.08	....	....	N. Richfield	11,675	.24	.23	.22	.23
.41	.07	....	....	N. Springer	4,000	.08½	.08½	.08	.08½
4.25	2.00	....	....	N. Superior	4,392	2.13	2.25	2.11	2.12
.25½	.09½	....	....	Nordon	1,185	.14	.12	.12	.12
5.65	1.78	....	....	North Can.	6,000	4.10	4.10	3.90	3.95
2.04	.60	....	....	Nucco	2,463	.80	.75	.70	.75
.11	.03	....	....	Oil Select	22,668	.05	.05½	.05	.05
1.96	1.15	....	....	Okalta	29,200	1.30	1.35	1.25	1.30
13.50	6.20	....	....	Pac. Pete	39,138	11.87½	13.50	11.62½	11.75
.46	.25	....	....	Pan West	16,400	.28	.30	.28	.29
5.00	2.95	....	....	Parker Drill	330	3.30	3.50	3.35	3.30
1.00	.37	....	....	Pathfinder	28,407	.40	.46	.38	.43
9.20	3.50	....	....	Peace River	24,490	8.00	9.20	8.00	8.40
1.90	.75	....	....	Peruvian	77,150	1.60	1.85	1.57	1.76
.62	.35½	....	....	Petrol O.	14,150	.36	.40	.35½	.37
1.95	1.15	....	....	Phillips Oil	4,225	1.35	1.40	1.20	1.40
1.36	.60	....	....	Ponder	15,000	.67	.70	.65	.69
.40	.12	....	....	Poplar	4,500	.28	.28	.21	.24½
3.00	1.45	....	....	Prairie	12,792	1.80	2.10	1.70	2.05
.80	.05½	....	....	Que. Oil Dev	14,600	.10	.08	.05½	.06
.37	.26	....	....	Quinalta	500	.32	.32	.32	.32
.06½	.02½	....	....	Realty	3,000	.03	.03	.03	.03
.12	.07	....	....	Reef Pet.	15,242	.07½	.07½	.07	.07
.14	.04½	....	....	Renfrew	8,000	.04½	.05	.04½	.05
.74	.33	....	....	Rio Prado	97,189	.37	.37	.33	.34
.21	.03½	....	....	Roxana	8,000	.10	.11	.10	.11
.14½	.06	....	....	Royal Can.	9,500	.07	.07	.06½	.06½
14.50	10.00	....	....	Royalite	6,335	11.50	12.50	11.50	12.25
30.00	27.00	**1.21½	....	Do. 5¼% Pf.	1,602	28.25	30.00	28.25	30.00
.20	.07	....	....	Sage	33,750	.16	.20	.14	.20
4.05	1.50	....	....	Sapphire	54,090	3.85	3.95	3.80	3.80
1.45	.83	....	....	Scurry-R.	20,735	.97	1.03	.95	1.09
2.50	1.55	....	....	Security	5,200	1.80	1.80	1.75	1.80
.40	.14	....	....	Select Oils	13,500	.24	.24	.23	.23½
.80	.30	....	....	Souris Val.	2,800	.40	.35	.34½	.35
.23	.07½	....	....	Sparmac	38,447	.19½	.23	.19	.20
.28	.12	....	....	Spooner	4,700	.16	.16	.16	.16
.98	.36	....	....	Stanwell	5,583	.55	.55	.50	.55
.30	.23	....	....	Sunset	3,050	.24½	.25	.25	.26
1.61	.90	....	....	Texas Cal.	9,720	1.20	1.40	1.20	1.30
2.55	1.55	....	....	Trans. Emp.	32,600	1.85	1.92	1.71	1.78
.65	.30	....	....	Trans-Era	19,750	.31	.33	.30	.33
.11	.03	....	....	Transfield	96,500	.08½	.11	.09	.11
.14	.07	....	....	Trend	2,500	.07½	.08	.07½	.08
4.50	2.55	....	....	Triad	69,697	4.15	4.30	4.00	4.25
.95	.31	....	....	Trican Petro	9,500	.35	.34	.31	.31
.84	.58	....	....	Tri-Tor	60,325	.69	.69	.63	.63
.10½	.06	....	....	Tri-Zone	1,000	.09	.09	.09	.09
.55	.22	....	....	Turner V.	1,000	.40	.40	.40	.40
1.48	.72	....	....	United Oils	77,500	1.00	1.05	.98	1.03
.50	.15	....	....	Van Tor.	276,250	.45	.55	.45½	.48
.76	.55	....	....	W'Burne	13,400	.65	.68	.68	.68
2.40	1.50	....	....	W. Maygill	300	2.00	1.95	1.86	1.86
.33	.12	....	....	West. Terr.	77,000	.17	.17	.15	.17
.19½	.10	....	....	W. Ashley	21,140	.11	.12	.10	.10
5.90	3.80	....	....	W. L'Holds	4,110	4.80	4.75	4.60	4.75
.15	.07	....	....	W. Warner	100	.08½	.08	.08	.08
.80	.37	....	....	Wilrich	44,180	.38½	.40	.37	.39
.14	.05½	....	....	Y'ke Can.	13,000	.07½	.08	.07½	.07½
.96	.30	....	....	Y'ke Prin.	235,550	.83	1.00	.78	.83
.18	.07	....	....	York Oils	12,100	.08	.08	.08	.08

* U. S. Funds. § Div. Deferred. ** Initial. * Paid in 1954. ‡‡ Payable in 1955.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Dec. 20	347,000	3,802,000	266,384	......	5,470,000
Dec. 17	338,000	4,724,000	192,789	125,553	5,070,000
Dec. 16	413,900	5,315,000	239,639	163,376	4,520,000
Dec. 15	487,300	5,639,000	219,935	192,674	3,710,000
Dec. 14	464,300	5,052,000	453,113	549,898	3,750,000

Dividends Declared

	This payment $	Date payable	Date of record *
Abitibi Pwr. & Pap.	.30	Jan. 1	Dec. 1
Do. 4½% pf.	.28⅛	Jan. 1	Dec. 1
Acadia-At. Sug	.12½	Jan. 3	Dec. 10
Do. A	.30	Jan. 3	Dec. 10
Ad. Corp	†.25	Dec. 31	Dec. 15
Alum. of Can. 4% pf.	.25	Mar. 1	Feb. 4
Do. 5¼%	1.31	Mar. 1	Feb. 4
Am. Cyanamid	†.50	Dec. 24	Dec. 3
Do. 3½% pfd.	†.87½	Jan. 3	Dec. 3
Do. 3¾% pfd.	†.93¾	Jan. 3	Dec. 3
Anglo-Cdn. Pulp	7.50	Jan. 7	Dec. 15
Do. pfd	.70	Jan. 20	Dec. 30
Anglo-Huronian	.25	Jan. 26	Dec. 22
Anglo-Nfld. Dev.	.15	Jan. 4	Dec. 3
Anthes-Imp.	.30	Jan. 15	Dec. 24
Do.	.30	Apr. 15	Mar. 25
Do. Pfd. 6%	3.00	Feb. 1	Jan. 25
Do. Pfd 6%	3.00	Aug. 1	Jul. 25
Argus Corp.	.20	Mar. 1	Jan. 31
Do. 4½ pf.	1.12½	Mar. 1	Jan. 31
Do. $2 40 2nd pf. Ser. A	■.60	Feb. 1	Jan. 14
Asbestos	.25+‡.25	Dec. 23	Dec. 2
Ashdown Hdwe A	.15	Jan. 1	Dec. 10
Do. B	.12½	Jan. 1	Dec. 10
Assoc. Tel. & Tel. A	†1.00	Jan. 1	Dec. 1
At. Wholesal. A & B	10+‡.10	Jan. 3	Dec. 15
Bk. of N. S.	.40+‡.20	Feb. 1	Dec. 31
Bk. of Toronto	.43¾	Feb. 1	Jan. 15
Barber-Ellis 7% pf.	1.75	Jan. 15	Dec. 31
Beatty Bros.	.10	Jan. 3	Dec. 15
Beaver Lumber	2.00	Feb. 1	Jan. 10
Beld.-Cort.	.10	Jan. 3	Nov. 30
Do. 7% Pf.	.17½	Jan. 3	Nov. 30
Belgium Stores 5% pf.	.25	Jan. 1	Dec. 15
Bell Tel.	.50	Jan. 15	Dec. 15
Bird. Construct.	.50+‡.50	Dec. 31	Dec. 15
Bowes Co 1% pf.	.01	Dec. 29	Dec. 3
Brazilian Tr	.03+▲Stk. Div.	Jan. 5	Nov. 12
Do. 6% Pf.	1.50	Jan. 3	Dec. 15
T. G. Bright 5% pf.	.28¾	Dec. 31	Dec. 15
Br. Am Oil	.21¼	Jan. 3	Dec. 3
Br. Amer. Ass. Cap.	■.94	Jan. 1	Dec. 28
B. C. Elec. 4% pf.	1.00	Jan. 3	Dec. 10
Do. 4¾% pf.	1.18	Jan. 3	Dec. 10
Do. 5% pf.	.63	Jan. 3	Dec. 10
Do. 4½% pf.	■.50	Jan. 3	Dec. 10
B. C. Forest	.10	Feb. 1	Dec. 31
Broulan Reef	.03	Dec. 30	Dec. 14
Building Prod.	.45	Jan. 3	Dec. 11
Burlington Stl.	.25	Jan. 3	Dec. 10
B. C. Pwr. Corp.	.25	Jan. 15	Dec. 21
B. C. Tel	.50	Jan. 1	Dec. 17
Burns & Co. A	1.50+‡.50	Jan. 29	Jan. 8
Do.	.50	Apr. 29	Apr. 8
Do.	.50	Jul. 29	Jul. 8
Do.	.50	Oct. 29	Oct. 8
Do. B	.50+‡.50	Jan. 29	Jan. 8
Do.	.50	Apr. 29	Apr. 8
Do.	.50	Jul. 29	Jul. 8
Do.	.50	Oct. 29	Oct. 8
Butterfly Hose 7% pf.	3.50	Jan. 31	Dec. 31
Calgary Pwr. 5% pf.	1.25	Jan. 3	Dec. 6
Campbell R. L. M	.07½+‡.05	Jan. 28	Dec. 28
Can. Bread 5% B pf.	.62½	Jan. 3	Dec. 21
Can. Flooring B	.20	Jan. 3	Dec. 15
Can. Iron F'dries	.30	Jan. 3	Dec. 1
Can Life Ass.	.75	Jan. 3	Dec. 15
Can. Machine	.25	Dec. 28	Dec. 1
Can. Nor. Pwr.	.15	Jan. 25	Dec. 20
Can. Perm. Mtge.	.65	Jan. 3	Dec. 15
Can. Starch	.75+‡2.00	Dec. 23	Sep. 21
Can. Steamships 5% Pf.	.31¼	Jan. 3	Dec. 3
Canadian Ag. Corp.	15	Dec. 31	Dec. 15
Cdn. Bk. of Comm.	.30	Feb. 1	Dec. 31
Cdn. Brew.	.31¼	Jan. 3	Dec. 8
Cdn. Bronze	.32	Feb. 1	Jan. 10
Do. 5% pf.	1.25	Feb. 1	Jan. 10
Cdn. Can	.50	Jan. 3	Dec. 1
Cdn. Cel.	.15	Dec. 31	Dec. 3
Do. $1.75 pf.	.43¾	Dec. 31	Dec. 3
Do. $1.00 pf.	.25	Dec. 31	Dec. 3
Cdn. Fairbanks-M. 6% pf.	1.50	Jan. 14	Dec. 31
Cdn. & For. Sec.	.40	Dec. 29	Dec. 21
Cdn. Gen. Elec.	1.00+‡2.00	Jan. 1	Dec. 15
Cdn. Gen. Invest.	.27½	Jan. 14	Dec. 31
Cdn. Gen. Sec. A & B	10.00	Jan. 3	Dec. 15
Cdn. Ice Mach. A	.20	Jan. 3	Dec. 15
Cdn. Ind.	.15	Jan. 31	Dec. 16
Do. 7½% pf.	.93¾	Jan. 14	Dec. 16
Cdn. Ing-Rand	1.00	Dec. 28	Dec. 14
Cdn. Oil Co's 4% Pf.	1.00	Jan. 3	Dec. 3
Do. 5% Pf.	1.25	Jan. 3	Dec. 3
Do. 8% Pf.	2.00	Jan. 3	Dec. 3
Cdn. Pac. Rlwy.	.75	Feb. 23	Dec. 30
Do. 4% pf.	2%	Feb. 1	Dec. 31
Cdn. Refractories 4½% pf.	1.12½	Jan. 15	Dec. 30
Cdn. Silk Prod. A	.20	Jan. 3	Dec. 1
Cdn. Vickers	.37½	Jan. 15	Dec. 31
Cdn. Westinghouse	.50	Jan. 3	Dec. 15
Cdn. W bound	1.00+‡.85	Jan. 1	Nov. 2
Do. A	.37½+‡.85	Jan. 1	Nov. 2
Casmont Ind. 7% pf.	1.75	Jan. 4	Dec. 15
Castle-Treth. M	.10	Dec. 30	Dec. 1
Celanese Corp.	†.12½	Dec. 23	Dec. 3
Do. 4½% pf. A	†1.12½	Jan. 1	Dec. 3
Do. 7% 2nd pf.	†1.75	Jan. 1	Dec. 3
Celtic Knit.	.50	Jan. 12	Dec. 15
Cent. Cdn. Invest.	.10	Jan. 3	Dec. 22
Do. 5% pf.	2.50	Jan. 3	Dec. 22
Chartered Tr.	.30	Jan. 3	Dec. 15
Chateau-Gai W	.50	Jan. 10	Dec. 27
B. J. Coghlin	.25	Jan. 31	Dec. 15
Col'wood Term.	.50+‡.50	Jan. 31	Jan. 10
Do. pfd.	.50+‡.50	Jan. 31	Jan. 10
Comb. Enterprises 5% pf.	1.25	Jan. 14	Dec. 28

Dividends Declared (cont'd)

	This payment $	Date payable	Date of record *
C'wealth Int.	.11	Jan. 15	Dec. 31
Cons. Div. Std. Sec. pf.	.75	Dec. 31	Nov. 30
Cons. Mining & Smelt.	.40+‡.35	Jan. 15	Dec. 17
Cons. Pap.	.37½+‡.75	Jan. 24	Dec. 10
Consumers Gas	.20	Jan. 3	Dec. 15
R. L. Crain Ltd.	.15	Dec. 31	Dec. 10
Do. 1% pf.	.00½	Dec. 31	Dec. 10
Crown Cork & Seal	.50	Feb. 15	Jan. 15
Crown Trust	1.25	Jan. 3	Dec. 17
Crown Zellerbach Corp.	†.50	Jan. 3	Dec. 10
David & Frere A	.75	Dec. 31	Dec. 15
Det. Int. Bridge	†▲.50	Dec. 24	Dec. 17
Dome M.	.17½	Jan. 31	Dec. 30
Dom. Bank	.32½	Feb. 1	Dec. 31
Dom. Corset	.20	Jan. 1	Dec. 10
Dom. F'dries & Stl.	.15	Jan. 3	Dec. 10
Do. 4½% pfd.	1.12½	Jan. 15	Dec. 24
Dom. Glass	.20+‡.62½	Jan. 14	Dec. 28
Do. pfd. 7%	.17½	Jan. 14	Dec. 28
Dom. Life Ass.	3.00	Dec. 31	Dec. 27
Dom.-Scot. Inv.	.25+‡.25	Dec. 31	Dec. 13
Dom. Square	1.00	Jan. 15	Dec. 22
Dom. Steel & Coal	25	Jan. 25	Dec. 22
Dom. Tar & Chem.	.10	Feb. 1	Jan. 3
Do. $1 pf.	.25	Jan. 3	Dec. 1
Dom. Textile 7% pf.	1.75	Jan. 14	Dec. 15
East. Bak 4% pfd.	1.00	Jan. 15	Dec. 31
Easy Washing	.05+‡.20	Jan. 3	Dec. 20
Econ. Inv Tr	25+‡.50	Dec. 31	Dec. 13
Elder M.	.02	Dec. 29	Dec. 16
Enam. & Heat.	.10	Jan. 31	Dec. 31
Erie Flooring A	.30	Dec. 31	Dec. 15
Do. B	.10	Dec. 31	Dec. 15
T. H. Estabrooks 4.16% pf.	.26	Jan. 15	Dec. 15
Famous Play.	.37½+‡.10	Dec. 29	Dec. 3
Fanny Farmer	†.37½	Dec. 31	Dec. 15
Fed. Grain	■1.00	Jan. 3	Dec. 15
Fibre Prod. 5% pf.	"	Dec. 31	..
Fittings Ltd. A	.30	Jan. 1	Dec. 6
Foundation Co.	.17½	Jan. 21	Dec. 31
Fraser Cos	25	Jan. 24	Jan. 7
Gat. Pwr	.30	Jan. 1	Dec. 1
Do. 5% pf.	1.25	Jan. 1	Dec. 1
Do. 5½% pf.	1.38	Jan. 1	Dec. 1
Gen. Bakeries	.10	Jan. 15	Dec. 23
Gen Dynamics	†1.00	Jan. 10	Dec. 14
Gen. Elec.	†.40	Jan. 25	Dec. 17
Gen. Prod A & B	▲▲Stk. Div.	Jan. 14	Dec. 30
Gen. Stl. Wares	.10	Feb. 15	Jan. 14
Do. 5% pf.	1.25	Feb. 1	Jan. 4
Gen. Pet. Ord. & A	.10	Jan. 5	Dec. 15
Goderich Elev.	.50+‡.25	Jan. 3	Dec. 20
Goodyear Tire	1.00	Dec. 31	Dec. 10
Do. 4% pf.	.50	Jan. 31	Jan. 10
Grand & Toy	.15+‡.10	Dec. 31	Dec. 17
Gt. Lakes Pap.	.40	Jan. 10	Dec. 15
Do. B	.30	Dec. 31	Dec. 15
Gt. Yellowknife	.20	Jan. 14	Dec. 15
Gt. Lakes Pr. 5% pt.	.31¼	Dec. 30	Dec. 1
Gt. West Sad.	.50	Dec. 31	Dec. 16
Greening Wire	.05	Jan. 3	Dec. 15
Guaranty Tr.	.15	Jan. 15	Dec. 31
Gypsum Lime	.60	Mar. 1	Feb. 1
Do.	.60	Jun. 1	May 2
Hahn Brass	.25	Jan. 1	Dec. 10
Do. pfd. A	.20	Jan. 1	Dec. 10
Do. 5% pf.	1.25	Feb. 15	Feb. 4
Harding Carp.	15	Jan. 3	Dec. 15
Hendershot Pap.	.25	Jan. 3	Dec. 14
Hinde & Dauch	.35	Dec. 24	Nov. 30
Hollinger Cons. G. M.	.06	Dec. 29	Dec. 1
F. W. Horner A	.12½	Jan. 3	Dec. 1
How. Smith Pap	.25	Jan. 31	Dec. 31
Do. $2 pf.	.50	Jan. 31	Dec. 31
Hubbard Felt A	.75	Jan. 1	Dec. 8
Hughes-Owens A	.20	Jan. 15	Dec. 15
Do. B	.10	Jan. 15	Dec. 15
Do. 6.4% pf.	.40	Jan. 15	Dec. 15
Huron & Erie Mtge.	1½%	Jan. 3	Dec. 15
Husky Oil 6% pf.	.75	Jan. 1	Dec. 15
Hydro-Elec. Sec. 3% pf.	.25	Feb. 1	Dec. 31
Imp. Bank	.50	Feb. 1	Dec. 31
Imp. Life	.37½	Jan. 1	Dec. 20
Imp. Tobacco	.10	Dec. 31	Nov. 30
Do. 4% pf.	.25	Feb. 1	Dec. 31
Ind. Accept.	.62½	Dec. 27	Dec. 9
Do. 4¼% pf.	1.06¼	Dec. 27	Dec. 9
Do. 5% 1st pf.	1.25	Dec. 27	Dec. 9
Do. 5% pf. $30 par	.37½	Dec. 27	Dec. 9
Do. 5% pf. $40 par	.50	Dec. 27	Dec. 9
Ing. Mach. & Tool A	.12½	Jan. 3	Dec. 15
Inter-City Bak.	.20	Dec. 31	Dec. 17
Do.	‡.25	Jan. 31	Jan. 14
Int. Bronze 6% pf.	.37½	Jan. 14	Dec. 15
Int. Metal Ind. A	.40	Jan. 4	Dec. 17
Do. 4½% pf	1.12½	Jan. 4	Dec. 17
Int. Milling 4% A pf.	†1.00	Jan. 15	Dec. 31
Int. Paints A & B	.25	Jan. 14	Dec. 17
Do. 6% pf.	.60+§.25	Jan. 14	Dec. 17
Int. Nickel	†.50+‡.90	Dec. 20	Nov. 22
Do. 7% pf.	†1¾%	Feb. 1	Jan. 3
Int. Power	.60	Jan. 15	Dec. 15
Int. Util. $1 40 pf.	†.35	Feb. 1	Jan. 14
Interprov. Brick A	2.00	Dec. 31	Dec. 31
Do. B	2.00	Dec. 31	Dec. 31
Invest. Found.	.37½	Jan. 15	Dec. 15
Do. 6% pf	.75	Jan. 15	Dec. 15
Jam. Pub. Serv.	.25	Jan. 3	Nov. 30
Do. 7% pf.	1.75	Jan. 3	Nov. 30
Journal Pub.	.20+‡.20	Jan. 15	Dec. 22
Kerr-Addison G.M.	.20	Dec. 30	Nov. 30
John Labatt	.25	Jan. 3	Dec. 15
Lamaque, G. M.	.08	Feb. 1	Dec. 8
Alf Lambert A&B	.15	Dec. 31	Dec. 15
Lambton Loan	1.50+‡1.00	Jan. 3	Dec. 15
Lambton Trust	2.50	Dec. 31	Dec. 15
M. Loew's	1.00+‡1.00	Dec. 31	Dec. 10
Lon. Cdn. Invest. Corp.	.18	Dec. 30	Dec. 15
Do. $3 pf.	.75	Dec. 30	Dec. 15
London Hose A	.20	Jan. 1	Dec. 17
Lower St. Lawr. Pwr. 5% pf.	.25	Jan. 1	Dec. 15
Do. A	3.00	Dec. 30	Dec. 15
W. M. Lowney	.25	Jan. 14	Dec. 15
Madsen Red Lake	.05+‡.02	Dec. 23	Dec. 1
Maclaren Pwr. & Pap.	.50+‡.25	Dec. 28	Dec. 3
MacMillan & Bloedel A	.12½	Dec. 31	Dec. 10
Do. B	.20	Dec. 31	Dec. 10
Mailman Corp.	.25	Dec. 23	Dec. 22
Do. 5% pf.	1.25	Jan. 31	Jan. 19
Do. $1 Prior.	25	Jan. 5	Dec. 16
Do. $1 Prior.	.25	Mar. 31	Mar. 17
Do. $1 Prior.	.25	Jun. 30	Jun. 16
Malartic Gold	.05	Jan. 12	Dec. 15
Manufac. Life	.90	Jan. 3	Dec. 10
Maple Leaf Gard.	.50	Jan. 15	Jan. 3
Maple Leaf Mill. 5% pf.	1.25	Jan. 1	Dec. 15
Maxwell Ltd.	.06¼	Jan. 3	Dec. 17
Do. $6 pf.	1.50+§.50	Jan. 3	Dec. 17
L. McBrine pf.	.50	Jan. 1	Dec. 9
McColl-Front. 4% pf	1.00	Jan. 20	Dec. 31
McIntyre Por. M.	‡1.00	Jan. 3	Nov. 1
Melchers Dist. 6% pf.	.30	Dec. 31	Nov. 30
Mersey Pap. 5% pf.	1.25	Jan. 3	Dec. 11
Mica Co.	.06	Dec. 30	Dec. 15
Mining Corp.	.50	Dec. 31	Nov. 30
Minn. & Ont. Pap.	†.60	Feb. 1	Jan. 7
J. S. Mitchell	.31¼	Jan. 3	Dec. 15
Mod. Containers A	.25	Jan. 3	Dec. 20
Monarch Knit 4½% pf.	*	Jan. 1	....
Monarch Mtge.	1.00	Dec. 31	Dec. 22
Mtl. City & Dist. Sav's. Bk.	.40	Jan. 3	Nov. 30
Mtl. Locomotive	.25	Jan. 3	Dec. 14
Moore Corp.	†.30+‡.20	Jan. 3	Dec. 3
Do. 4% pf.	.25	Jan. 3	Dec. 3
Do. 7% A & B pf.	†1.75	Jan. 3	Dec. 3
Morrow Screw 4% pf.	1.00	Jan. 2	Dec. 20
Mtl. Refrig & Stor.	1.00	Dec. 28	Dec. 20
Mt Royal Rice	.20	Jan. 31	Jan. 15
Nat. Grocers	.15	Jan. 1	Dec. 15
Do. $1.50 pf.	.37½	Jan. 1	Dec. 15
Nat. Hose. A	.05	Jan. 3	Dec. 3
Do. B	.12	Jan. 3	Dec. 3
Nat. Steel Car	.37½	Jan. 15	Dec. 15
Nat. Trust	.30	Jan. 3	Dec. 15
Niagara W. W.	.50+‡.50	Jan. 3	Dec. 9
Normetal Min.	.05+‡.08	Dec. 30	Nov. 30
Nor. Cdn. Mtge. 6% pf.	.50	Jan. 1	Dec. 15
N. S. Lt & Pwr.	.35	Jan. 3	Dec. 4
Office Spec.	.10	Jan. 3	Dec. 20
Ogilvie Flour	.25	Jan. 3	Dec. 1
Ont. Loan	.25	Jan. 3	Dec. 15
Ont. Steel Prod.	25	Feb. 15	Jan. 15
Do.	‡.40	Jan. 3	Dec. 3
Do. 7% pf.	1.75	Feb. 15	Jan. 15
Page Hersey	75	Jan. 3	Dec. 15
Pend Oreille M.	†.25	Dec. 28	Nov. 20
Penmans	.75	Feb. 15	Jan. 17
Do 6% pf	1.50	Feb. 1	Jan. 3
Peoples Cred. Jew. 6% pf.	■3.25	Dec. 31	Dec. 15
Power Corp.	50	Dec. 31	Dec. 6
Do. 6% pf.	.75	Jan. 15	Dec. 20
Do. 4½% 1st pf.	■.56	Jan. 15	Dec. 20
Premier Tr.	1.00	Jan. 1	Dec. 17
Price Bros. 4% pf.	2.00	Jan. 1	Dec. 10
Do. Com	1.00	Feb. 1	Jan. 14
Que. Pwr.	.30	Feb. 25	Jan. 15
Que. Tel.	.25+‡.25	Jan. 1	Dec. 10
Do. pfd. 5%	.25	Jan. 1	Dec. 10
Quemont Min.	.75	Dec. 30	Nov. 30
R. & M Bear. A	.28	Jan. 3	Dec. 15
R'tman's (Can.) Ltd.	.10	Feb. 1	Jan. 15
Reliance Pet. A & B	.50	Jan. 3	Dec. 17
Do. pfd. 4½%	1.12½	Jan. 3	Dec. 17
Renold Cov. A	.28+‡.05	Jan. 1	Dec. 15
P. L. Robertson	.10	Jan. 1	Dec. 20
Do. 5% pf.	.50	Jan. 1	Dec. 20
Do. 6% pf	.30	Jan. 1	Dec. 20
Do. $1 Pt. pf.	.25	Jan. 1	Dec. 20
Robinson Little	.20	Dec. 31	Dec. 15
Royalite Oil 5¼% pf.	■.21¾	Jan. 1	Dec. 17
Russell Ind.	.20	Dec. 30	Dec. 15
Saguenay Pwr. 4¼% pf.	1.06	Jan. 1	Dec. 10
Do.	1.06	Apr. 1	Mar. 11
St. Lawr. Corp.	.50	Jan. 25	Dec. 29
Shaw. W. & P.	.30	Feb. 25	Jan. 15
Do.	♦.25	Dec. 30	Dec. 3
Do. 4% Ser. A pf.	.50	Jan. 3	Dec. 2
Do. 4½% Ser. B pf.	.56¼	Jan. 3	Dec. 2
Sherwin-Wms.	.45+‡.25	Feb. 1	Jan. 10
Do. 7% pf.	1.75	Jan. 3	Dec. 10
Sicks Brew.	.30+♦.20	Dec. 31	Nov. 30
Sigma M.	.20	Jan. 28	Dec. 28
Silverwood Dair. pf.	.15	Jan. 3	Nov. 30
Do. B	.15	Jan. 3	Nov. 30
H. Simon & Sons	.50	Dec. 30	Dec. 20
Siscoe G.M.	.02	Dec. 20	Dec. 6
Somerville $2.80 pf.	.70	Jan. 1	Dec. 15
Southam Co.	.40	Dec. 28	Dec. 14
So. Can. Pwr.	.50	Feb. 15	Jan. 20
Do. 6% pf.	1.50	Jan. 15	Dec. 20

Market Comment

What stocks and bonds are doing and what prominent observers say

New York continued its steady market advance this week and crawled within easy penetration distance of the 400 level on the Dow-Jones industrial average. Encountering relatively little of the usual year-end selling pressure, the market was able to move into new high ground under active demand for a broad range of industrial stocks.

With some noteworthy exceptions, Canadian stocks continued to drag. As a group senior base metal issues turned stronger. The continued excellent market outlook for copper and nickel bolstered such issues as Hudson Bay Mining & Smelting, International Nickel. Falconbridge Nickel was a standout moving smartly forward under expanding share turnover.

The speculative fervor weakened somewhat this week in the handful of popular uranium and base metal issues which have been supplying most of the market activity in recent weeks. But it was more a slackening in news developments from the mines and last minute Christmas shopping drives than any fundamental change in market tenor.

* * *

JAMES M. DOUGLAS; Playfair & Co. (Toronto)

Recently a visitor from New York stated that he was out of the market and had promised himself that he would not buy again until the Dow Jones Industrial Averages receded to 160. That same day another New Yorker indicated that the Dow Jones Industrials would surely go through 500.

The Canada Savings Loan just concluded yielded the investor 3.25% on his money. Here are a few of our Canadian stocks which at the present market yield less than 3%: Aluminium; B. A. Oil; Canadian Industries; Imperial Oil; Loblaws "B"; Shawinigan; Westons; Dominion Stores; Simpsons; Canadian Celanese; Interprovincial Pipe Line.

Since our stock market is so dependent on New York trends, let's look at the factors that are responsible for such a wide divergency of views.

First the Bear. He reasons that last year, 1953, when business was better than this year, the industrial average reached a high of 343.50. Today it is 391.35 and the previous all time high was Sept. 3, 1929, at 381.17. Since Jan. 1 this year it has risen over 100 points or 35%. Standard and Poor's Index of 50 stocks, which has been setting new highs for 3 years is now 100 points above the 1929 peak!

For the shorter term, he reasons that before Dec. 31, there will be tax selling and the withdrawal of purchasing by trusts, banks and institutions to build up cash balances for their year-end statements.

So much for those who say—what goes up, comes down. Let us look at the more bullish aspects of the present market.

First we can argue that based on the present value of the dollar in relation to its purchasing power in 1929, the Dow Jones Industrial average should be less than 190, instead of its present 391. In the United States, the annual Gross National Product today is 355 billion compared with 104 billion in 1929—an increase of 240%.

This market has not been built on a great credit base as in 1929. Today's margin buyers must put up 50% cash as against 10% in 1929.

Today, total money supply is $207 billion, compared with $56 billion in 1929.

Today earnings per share are 50% higher than 1929. Stocks are selling on a times-earnings ratio 35% lower than 1929 (an average of 13 times earnings, against 21 times in 1929.) Dividends per share are 31% higher than in 1929. Corporate profits after taxes, $8.3 billion in 1929, 18 billion today, up 115%.

Brokers' loans down from $8 billion in 1929 to $1.5 billion today.

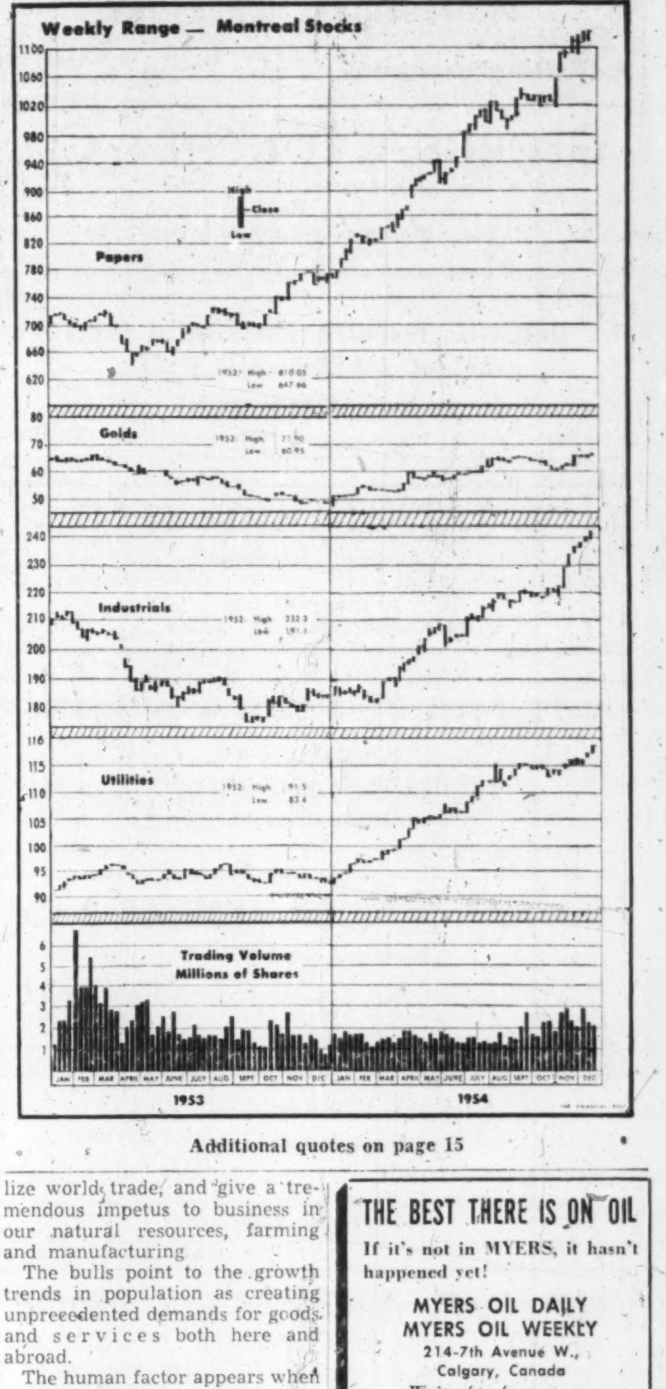
Cash in brokers' accounts has reached a record $1 billion against $250 millions in 1929.

The bears themselves have supplied another bullish factor for this market. In anticipation of a market dip, they have sold short a near-record 3,100,000 shares, and any decline is bound to be cushioned by short covering.

Another bullish factor from the Canadian angle would be convertibility of world currencies. This would re-establish and stabilize world trade, and give a tremendous impetus to business in our natural resources, farming and manufacturing.

The bulls point to the growth trends in population as creating unprecedented demands for goods and services both here and abroad.

The human factor appears when we forget the rules and take a few unscientific risks on our own.



Additional quotes on page 15

Dividends Declared (cont'd)

	This payment $	Date payable	Date of record *
Stand. Pav.	.37½	Jan. 1	Dec. 10
Stand. Radio A & B	.15	Jan. 10	Dec. 20
Stedman Bros.	.20	Jan. 2	Dec. 15
Stl. Co. of Can.	.30+‡.30	Feb. 1	Jan. 7
Sterl. Trusts	.35+‡.20	Jan. 3	Dec. 18
Sun Life Ass.	.85+‡.60	Jan. 1	Dec. 16
Sun Publishing	.30	Dec. 29	Dec. 22
Superior Propane $1.40 pf.	.35	Jan. 1	Dec. 15
Supertest Pet.	.40	Jan. 15	Dec. 17
Do. 5% 1st pf.	1.25	Jan. 15	Dec. 17
Supervised Am. Fd.	.06	Dec. 31	Dec. 15
Supervised Gr. Fd.	.04½	Dec. 31	Dec. 15
Supervised Inc. Fd.	.07	Dec. 31	Dec. 15
Switson Ind.	.04½	Dec. 31	Dec. 17
Sylvanite G.M.	.04	Jan. 3	Nov. 13
G. Tamblyn	.25+‡.65	Jan. 3	Dec. 3
Do. 4% pf.	.50	Jan. 3	Dec. 3
Taylor Pear. & Car.	.20+‡.10	Jan. 3	Dec. 15
Teck-Hughes	.05	Feb. 1	Dec. 8
Tip Top Tail.	.15	Jan. 3	Dec. 1
Thrift Stores	.40	Jan. 3	Dec. 15
Torbrit Silver	■.05	Dec. 30	Nov. 30
Tor. Brick 5% 1st pf.	.12½	Jan. 1	Dec. 15
Do. 5% 2nd pf.	.05	Jan. 1	Dec. 15
Tor. Gen. Trusts	.35	Jan. 3	Dec. 14
Tor. Iron W'ks.	.25	Jan. 3	Dec. 15
Do. A	.25	Jan. 3	Dec. 15
Tor. Mtge.	1.25	Jan. 3	Dec. 15
Traders' Bldg. Assoc.	.30+‡.30	Jan. 15	Jan. 7
Traders Fin A & B	.60	Jan. 3	Dec. 8
Do. 4½% pf.	1.12½	Jan. 3	Dec. 8
Do. 5%	.50	Jan. 3	Dec. 8
Do. A Rts.	1.00	Jan. 3	Dec. 31
Do. B Rts.	1.00	Jan. 3	Dec. 31
Tuckett Tob. 7% pf.	1.75	Jan. 15	Dec. 31
Un. Accept. 60c pf.	.15	Jan. 1	Dec. 15
Union Gas	.35	Feb. 1	Jan. 7
Un. Corp. B	‡.25	Feb. 28	Jan. 31
Un. Fuel Invest. 6% pf.	.75	Jan. 3	Dec. 10
United Steel Corp.	.25	Dec. 31	Dec. 10
Ventures Ltd	.15	Jan. 7	Dec. 16
Viau Ltd	.50+‡1.00	Jan. 3	Dec. 20
Wabasso Cot	.15	Jan. 3	Dec. 6
H. Walker-Good	.75	Jan. 15	Dec. 23
Watson, Jack & Co.	.20	Jan. 3	Dec. 15
West. Assur.	1.10	Jan. 1	Dec. 28
Do. pfd	1.20	Jan. 1	Dec. 28
West. Can Brew.	.25	Mar. 1	Jan. 31
Western Groc.	1.00	Jan. 15	Dec. 15
Do. A	.50	Jan. 15	Dec. 15
Do. 7% pf.	35	Jan. 15	Dec. 15
West. Plywood B	.12½	Jan. 15	Dec. 31
West Koot. Pwr. 7% pf.	1.75	Dec. 31	Dec. 16
Geo. Weston	.25	Jan. 3	Dec. 10
White Hdwre. Ltd. 1st pf.	70	Jan. 1	Dec. 10
Do. 2nd pfd.	.56	Jan. 1	Dec. 10
Wpg. Elec. 5% pf.	2.50	Dec. 31	Dec. 1
Wright-Harg. M	.03	Jan. 3	Nov. 19
Yellowknife Bear. M.	.04	Jan. 17	Dec. 15
Zellers Ltd	.22½+‡.10	Feb. 1	Jan. 3

†U. S. funds. ‡Extra.

*The ex-dividend date is usually at least two full business days prior to the record date.

††Declared on basis of old stk. prior to proposed 3-for-1 stk. split.

▲1/20 ord. sh. for each sh. held.

■Initial.

●5% stk. divid. (one for each 20 held) on which cash divid. is also paid.

♦Special.

"Divd. deferred.

▲▲Stk. divd. 1 sh. 3% non cum., redeem. 2nd pf. ($1 par) for ea. Cl. "A" or "B" sh. held.

§Participating.

New Highs and Lows

During the week ended Dec. 17, 43 new highs and four new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were 21 new highs and 16 new lows. In western oils there were 14 new highs and nine new lows.

GENERAL

NEW HIGHS—1954

Ang. Cdn. Pulp
Argus
Bk of N. S.
Brant. Cord. A
B. C. Power
Can. W Cable B
Cdn. Bk. Comm. Rts.
Cdn. Gen. Inv.
Cdn. Pac. Rly.
Corby B
Dom. Foundries
Do. 4½% pfd.
Dom. Scott
Famous Players
Gen. Bakeries
G. Hees
Hinde & Dauch
Howard Smith
Hur. & Erie 20% pd
Hydro Elect.
Ind. Accept. $1.50 par
John Inglis
Inter. Brew. B
Int. Metal pfd.
MacMil. & Blo. A
Minn. & Ont. Pap.
Molsons Brew. A
Do. B
Ont. Loan
Quebec Tel.
Royal Bank
Sher.-Wms. pfd.
Silverwood A
Steel of Can.
Switson
Tor. Gen. Trust
Traders Bldg.
Trans Mt. Pipe.
Union Accept.
United Corp.
Un. Fuel A pfd.
Westminst. Pap. A
Do. B

NEW LOWS—1954

Cdn. Bronze
Paton Mfg.
Scythes
Tooke Bros. pfd.

MINING

NEW HIGHS—1954

Algom
Bankfield
Bathurst
Bunker Hill
Castle Trethewey
Cons. Denison
Falconbridge
Glenora
Goldfish
Hallaga
Lapaska
Lorado
McIntyre
Mogador
Norpax
Pato Cons.
Prest. E. Dome
Que. Nickel
San Antonia
Sullivan Cons.
United Asb.

NEW LOWS—1954

Cdn. Lithium
Cons. Mosher
Cons. Ranwick
Estella
Fenimore
Giant Yellow.
Hd. of the Lakes
Kristina
New Ryan
North Trinity
O'Brien
Rexspar
Silanco
Sturgeon R.
Tandem
West. Tung.

OILS

NEW HIGHS—1954

Antone
Cdn.-Atlantic
Cdn. Pipe L. & P.
Cdn. Williston
Gridoil
Marwayne
Pacific Pet.
Peace River
Royalite 5¼% pf.
Sage
Sparmac
Transfield
Van Tor.
Yankee Princess

NEW LOWS—1954

Bata
Cdn. Homestead
Gaspe
Hargal
Petrol
Que. Oil Dev.
Rio Prado
Trican Pet.
Wilrich

Grain Prices

Chicago Futures

Week to Dec. 20, 1954

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close Dec. 20
		Wheat—			
2.30¼	2.08¼	Dec.	2.29¾	2.23	2.28¾
2.31¾	2.09¼	Mar.	2.28¾	2.24¼	2.28
2.29¾	2.07	May	2.24¼	2.20	2.24¼
2.16¼	1.97¼	July	2.12¾	2.07¼	2.11¾
2.18	2.09¼	Sept.	2.14¼	2.09¼	2.13¾
		Corn—			
1.59¼	1.49¾	Dec.	1.54¼	1.52	1.54¼
1.63¼	1.53¾	Mar.	1.57¼	1.55	1.56¾
1.65¼	1.54¼	May	1.59¼	1.56¾	1.58¾
1.66¾	1.55¼	July	1.60¼	1.58	1.60
1.61	1.54	Sept.	1.55¼	1.54	1.55¼
		Oats—			
.85¼	.73¼	Dec.	.84¼	.79	.83¼
.85¾	.74¼	Mar.	.82	.74¼	.81¼
.85	.72¾	May	.77	.73¼	.76¼
.77¾	.63¾	July	.71¼	.63¾	.71
.70¾	.70	Sept.	.70¾	.70	.70¾
		Rye—			
1.52¾	1.10¼	Dec.	1.16¼	1.10¼	1.16
1.55¼	1.13¾	Mar.	1.19	1.13¾	1.18¾
1.55¼	1.16¾	May	1.22	1.16¾	1.21¾
1.46	1.18¾	July	1.23¾	1.18¾	1.23¾
		Soybeans—			
		Jan.	2.84	2.74¼	2.82¾
		Mar.	2.81¼	2.74¼	2.80¼
		May	2.80¼	2.74¼	2.79¼
		July	2.77	2.72	2.75
		Sept.	2.56¼	2.51¼	2.54

Chicago Cash

	For Week Dec. 20 High	Low	Prev. Week High	Low
Corn—				
2 Yell (new)	1.54	1.53¼	1.56¼	1.54¼
Oats—				
1 H. Wh.	.90	.88¼	.88¼	.88¼

Winnipeg Futures

Week to Dec. 20, 1954

Crop year from Aug. 1, 1954 High	Low		High for week	Low for week	Close Dec. 20
		Oats—			
.89¼	.69¼	Dec.	.86¾	.83	.86
.86¾	.69¾	May	.84	.80¾	.83¾
.83¾	.77	July	.80¾	.77	.80¾
		Barley—			
1.22¾	.95	Dec.	1.18¾	1.15¾	1.17¾
1.20¾	.95¼	May	1.16¼	1.12¾	1.14¾
1.15¼	1.03¾	July	1.10¾	1.07¾	1.08¾
		Rye—			
1.45	1.01	Dec.	1.12¾	1.08¾	1.12¾
1.45¼	1.06¾	May	1.18	1.13¾	1.18
1.40	1.12¾	July	1.17	1.12¾	1.17
		Flax—			
3.04¼	2.55	Dec.	3.00¼	2.95¼	3.00¼
3.09¼	2.56¼	May	3.05¼	3.00	3.05¼
3.04	2.56¼	July	3.00¼	2.95	3.00¼

Winnipeg Cash

	For Week Dec. 20 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	.95¼	.92¾	.95¼	.93¼
3 C. W.	.87¼	.84¾	.88¾	.86
Barley—				
1 Feed	1.14¾	1.12¼	1.15¾	1.12
2 Feed	1.13¾	1.11¼	1.13¾	1.11
1 Malt	1.28¾	1.26¼	1.29¾	1.25¾
Rye—				
2 C. W.	1.13	1.09¾	1.16¾	1.12¼
1 C. W.	1.13	1.09¾	1.16¾	1.12¼

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Here's A Decade of Wise Investing

How Original $10,000 of MacNab, Compton Has Ballooned

What happens to $10,000, wisely invested, in 10 years?

To find out in specific detail, to show how the experts do it and to offer running market commentary along the route, The Financial Post asked on Dec. 15, 1944, two outstanding, independent investment managers to undertake the operation of two hypothetical portfolios, each with a starting basis of $10,000. One was and is under the name of Mr. Compton, the other Mr. MacNab.

Both accounts will continue to be a feature in The Post. But right now it's time for their year-end review. And more than that, time for a look at a decade of wise investing, in terms of capital gain, continuing yields and outlook.

The two original lists of holdings with their market value of $10,000 on Dec. 15, 1944, are shown in the accompanying tables.

What significant trend can we see in an analysis of the two accounts since 1944? What changes have the years wrought in the original lists of securities? Has the tremendous upward surge of the economy been fully exploited?

A glance at the vital statistics of the two portfolios soon answers these questions. Let's take Mr. Compton's first.

In 10 years, the account has:

—Grown from the original $10,000 to a break-up value of $24,645.

—Increased prospective annual income from $393.75 in December, 1944 to $1,226 at December, 1954, or a current indicated yield of 12.26% on the original amount invested.

—Dropped in size from an original portfolio of 25 securities to 15 at the end of this year.

The MacNab account has:

—Grown from the original $10,000 to a break-up value of $29,809.

—Increased prospective annual income from $441.72 in December, 1944 to $1,278.75 in December, 1954, an indicated annual yield of 12.79% on the original amount invested.

—Dropped in size from an initial portfolio of 25 securities to 23 at the end of this year.

In the MacNab holdings a major difference has been the inclusion of bonds and debentures. Early in his management of the portfolio, MacNab's investment advisers began to get into bonds, although since 1951, these have consisted mainly of issues convertible into common stock.

Issues common to the two portfolios consist of the common shares of CPR, Distillers Corp., International Nickel, Powell River and Hiram Walker. Compton holds common shares of Abitibi while MacNab has preferred shares of the same company.

Ten Years Ago — And Today

The MacNab Account Originally Held —

No. of Shares	Security	Cost per Sh.
	Group 1—Investment and Semi-speculative:	
	Industrials	
10	Cons. M. & S. Co. of Canada	50
25	Laura Secord Candy Co.	16
15	Distillers Corp.-Seagrams	39
8	Canada Malting Co.	50
14	National Grocers	12½
5	Bell Telephone Co.	160
5	Moore Corp.	57
20	Building Products	19
10	B. C. Power Class A	19½
15	Asbestos Corp.	21
10	B. C. Packers	24¼
	Mines	
25	Hollinger	10
20	Bralorne Mines	14½
	Group 2—Speculative:	
	Industrials	
10	Massey-Harris Co. $1.25 pfd.	21½
10	Abitibi Power 6% pfd.	51
10	Winnipeg Electric 5% pfd.	66½
10	Federal Grain Co. 6½ %	60
20	Fraser Cos. common	25
25	Cdn. Car & Foundry common	10
25	Cdn. Pacific Rly. common	12
50	Dairy Corp. common	7
	Mines and Oils	
100	McLeod Cockshutt Gold	2¾
20	Ventures Ltd.	10½
100	Waite Amulet	4¾
200	Anglo-Cdn. Oils	¾
	Cash	$682.50
	Total value	$10,000.00
	Prospective annual income	$441.72

The MacNab Account Now Stands —

No. of Shares	Security	Cost per sh. $	*Market per sh. $
	Common Stocks		
30	Bank of Nova Scotia	37	54¼
50	B. C. Telephone ordinary	34½	44
100	Calgary & Edmonton	10¼	13⅛
60	Canadian Pacific Railway	17⅛	29
30	Distillers Corp. Seagrams	27¼	33⅝
40	International Nickel	33¼	55½
50	International Utilities	21½	37
10	Noranda Mines	66⅞	82½
50	Powell River	26⅜	41¼
40	Howard Smith	21¾	27¼
20	Hiram Walker	43½	67¾
	Preferred Stocks		
50	Acadia Atlantic Sugar A	17¾	22¼
25	B. C. Electric 4½ %	50	50½
40	Imperial Tobacco 4%	24¾	25¼
40	Abitibi P. & P. $25 p.v. 4½ % pfd.	24½	26
25	Shawinigan Water & Power 4%	48	50¼
	Convertible Corporate Bonds		
1000	Abitibi P. & P. 4¼ % '61	100	104.50
1000	B. C. Forest Products 5% '62	100	106.00
1000	Brazilian Traction 4½ % '71	98	81
1000	Canadian Pacific 3½ % '66	100	101
1000	Central Leduc Oil 5% '65	101	87
1000	Dominion Steel & Coal 4% '61	100	99¼
1000	Dominion Textile 4% '66	100	97
	Cash		79.70
	Total value		$29,809.70
	Original amount invested		$10,000
	Capital gain		$19,809.70
	% Capital gain		198.1%
	Annual income		$1,278.75
	% Yield on original investment		12.79%

*Bid price at Dec. 15, 1954.

The Compton Account Originally Held —

No. of Shares	Security	Cost per Sh.
	Merchandising	
20	Dominion Stores common	12½
5	Simpson's Ltd. A	40
	Foods	
10	Can. & Dom. Sugar com.	22
10	Silverwood's Dairies com.	14
25	Cdn. Canners 2nd pfd.	17
	Beverages	
10	Hiram-Walker-G. & W. com.	66
	Steel	
50	Algoma Steel com.	12
25	Dom. Steel & Coal com.	7¾
10	Ford Motor of Canada A	25½
10	Dominion Bridge com.	30
	Oils	
100	Calgary & Edmonton com.	1¾
	Fuel, Power and Light	
20	Brazilian Traction com.	22¼
20	Montreal Light, H. & P. com.	20
5	Consumers' Gas com.	140
	Pulp and Paper	
50	Consolidated Paper com.	8
25	St. Lawrence Corp. A pfd.	20
	Milling	
20	Maple Leaf Milling com.	8½
	Railway	
25	CPR com.	12
	General	
5	Goodyear Tire & Rubber com.	95½
25	International Nickel com.	31
	Mining	
10	Noranda Mines	56
20	Lake Shore Mines	17
100	Madsen Red Lake Mines	2¼
100	Malarctic Goldfields	3½
100	Steep Rock Mines	2¾
	Cash	$663.75
	Total value	$10,000.00
	Prospective annual income	$393.75

The Compton Account Now Stands —

No. of Shares	Security	Cost per sh. $	*Market per sh. $
	Preferred Stocks		
120	York Knitting "A"	7.75	2¾
	Common Stocks		
100	Abitibi	12.76	26⅛
25	Aluminium	40.64	69¾
25	Canada & Dominion Sugar	19.55	20¾
30	Canada Packers B	30.30	34¾
25	C.P.R.	24.69	29
50	Cockshutt	9.08	7⅝
25	Distillers-Seagrams	29.60	33¾
100	Powell River	24.50	41½
75	Hiram Walker	47.60	67⅞
	Mining Stocks—Base Metals		
25	Consolidated Smelter	17.00	29
50	Hudson Bay	48.95	52
50	International Nickel	39.02	55⅜
	Mining Stocks—Precious Metals		
15	Kerr-Addison	16.25	17¼
100	Teck-Hughes	3.90	3.60
	Current market value of fund		$24,645.02
	Prospective annual income		$1,225.75
	Average yield on original $10,000		12.26%
	Average yield on current market value		4.97%

*Bid price at Dec. 15, 1954.

Here Are Changes, Where, How Gains Made

Compton's account shows the following changes:

—**A capital gain** of $14,645 or 146.5% on the original $10,000 (DBS common stock index up about 134%).

—**A capital gain** of $7,535 or 44% in the last year (DBS index up about 30%).

—**A gain in annual income** of $832 or 211.4% over the 10-year period and of $48 or 4.1% over the past year ($1,226 in prospect now as against $1,178 at the end of 1953 and $394 originally).

—**An income return** of 12.26% on the original investment and 4.97% on the current market value.

—**A decrease in preferred** stock holdings to 1.3% from 15.5% a year ago, and 9.3% originally.

—**An increase in mining** and oil stocks to 27.2% from 18.2% last year and 19.2% in 1944.

—**An increase in other commons** to 69.5% from 64.7% at the end of 1953 and 64.9% originally.

Here is the distribution of the account:

MARKET VALUE
(at Dec. 15 each year)

	1954		1953		1948		1944	
	$	%	$	%	$	%	$	%
Bonds	......	...	......	...	2,774	20.4	......	...
Preferred	330	1.3	2,651	15.5	4,276	31.4	925	9.3
Common	17,108.13	69.5	11,072	64.7	5,238	38.7	6,486	64.9
Mines & Oils	6,712.50	27.2	3,111	18.2	1,263	9.3	1,925	19.2
Cash	494.39	2.0	276	1.6	31	0.2	664	6.6
Total	24,645.02	100.0	17,110	100.0	16,487	100.0	10,000	100.0

MacNab's account shows the following changes:

—**A capital gain** of $19,810 or 198.1% (DBS common stock index up 134%) since Dec. 15, 1944.

—**A capital gain** of $5,684 or 23.6% over the past year (DBS index up about 30%).

—**A gain in annual income** of $837 or 189.5% in the 10-year period but a decrease of $24 or 1.8% in the last year ($1,279 now in prospect as against $1,303 a year ago and $441.72 originally).

—**An income return** of 12.79% on the original investment, and of 4.29% on the current market value.

—**An investment in bonds** of 22.6% of the account's total assets, down from 33.5% a year ago and nil in the beginning.

—**An increase in preferred** stock holdings to 19.1% from 11.9% a year ago and from 21.8% 10 years ago.

—**A decrease in mining** stock to 7.2% from 8.2% a year ago and 16.5% originally.

—**An increase in other commons** to 50.8% from 46% at the end of last year and 54.9% at the end of 1944.

Here is the distribution of the account:

MARKET VALUE
(at Dec. 15 each year)

	1954		1953		1948		1944	
	$	%	$	%	$	%	$	%
Bonds	6,758	22.6	8,075	33.5	5,020	30.5	......	...
Preferred	5,681	19.1	2,875	11.9	1,391	8.4	2,185	21.8
Common	15,154	50.8	11,096	46.0	7,659	46.5	5,485	54.9
Mines & Oils	2,137	7.2	1,980	8.2	2,217	13.4	1,650	16.5
Cash	80	0.3	100	0.4	200	1.2	680	6.8
Total	29,810	100.0	24,126	100.0	16,487	100.0	10,000	100.0

The Year's Buying, Selling

COMPTON ACCOUNT

Date Bought	No. of shares or par	Security	Price
Jan. 19	25	Hiram Walker-G.W.	$52
Jan. 19	25	International Nickel	35
Jan. 19	25	Distillers Corp.-Seagrams	29¼
Jan. 19	25	Powell River Co.	26⅞
Jan. 20	25	Abitibi P. & P.	17⅛
May 5	25	Hiram Walker-G.W.	57¼
May 5	25	Hudson Bay Mines	43
May 5	25	Powell River Co.	33½
Sold			
Jan. 19	30	Cdn. Wirebound A pfd.	35
Jan. 19	25	Gypsum, Lime & Alabastine	35½
Jan. 19	20	Montreal Locomotive	16½
Jan. 19	15	National Steel Car	25½
Jan. 20	100	D. Stuart Oil	12½
Mar. 29	50	Abitibi P. & P. $1.50 pfd.	26
May 5	10	Aluminium Ltd.	58
May 5	50	Great Lakes Paper Co.	24½
May 6	5	McIntyre-Porcupine Mines	65

MACNAB ACCOUNT

Date Bought	No. of shares or par	Security	Price
Jan. 26	25	Howard Smith common	$20¾
Feb. 2	100	Calgary & Edmonton	10¼
Feb. 16	10	B. C. Telephone ord.	38
May 19	15	Howard Smith common	24
July 1	40	Abitibi P. & P. 4½ % pfd.	(1)
Oct. 25	25	Shawinigan 4% pfd.	48
Oct. 25	25	B. C. Electric 4½ % pfd.	50
Sold			
Feb. 1	$500	Canada Svgs. Bond 3¾ % '65	500
Feb. 2	50	Brazilian Traction L. & P.	7⅛
Feb. 12	$1,000	Western Canada Breweries 5% '67	100
Apr. 1	50	B. C. Telephone rights	1.65
June 17	40	Abitibi P. & P. 4½ % pfd.	24¼
Oct. 25	60	B. C. Power	22½
Oct. 25	50	Consumers' Gas	23

(1) Replaced 40 old with 40 new shares.

The Men and the Working Principals

The Compton and MacNab accounts are under the direction of two anonymous investment managers, carefully selected because of their high standing in the investment community, their integrity and their training. Using a definite investment plan of his own — changed occasionally to meet changing conditions — each manager recommends buying and selling as if he were managing the portfolio of an actual client. The Financial Post assumes no responsibility for these recommendations.

Investment is a personal matter. A good investment policy for one person may be unsound for another person in another situation. A tailor-made policy offers the investor the greatest chance of financial success.

To make Managed Investment as realistic and as valuable as possible, the two hypothetical clients, Compton and MacNab, were carefully described ten years ago:

Compton was 36, married, had two children but no dependent relatives. His objective was divided about equally between capital appreciation and income.

MacNab was 57, married, with his wife as his only dependent. His objective was maximum income consistent with safety of capital.

It was assumed that each person owned his house, had substantial life insurance by 1944 standards, and a backlog of Victory Bonds and War Savings Certificates.

Compton's manager operates on the policy of buying and selling at certain prices, while MacNab's manager advises The Financial Post of any transaction on the day he makes it. Therefore, it is not possible for the transactions to be the result of hindsight although, for mechanical reasons, the transactions may not be reported in The Post until a week or more later.

Managed Investment is designed to illustrate, by actual example, the principles of sound investing based on experience, knowledge and constant attention. Purchase or sale of any stock should not be interpreted as an indication that other investors should take similar action.

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Queer Profit Hills, Valleys Ahead?

How C.A. Views Problems, Solution to Tax Tactics Puzzle

For income tax purposes, from 1949 to 1953, Canadian companies were allowed write-offs for normal and special depreciation only to the extent these write-offs were charged in their own books. In their reports covering 1954, due to the repeal last spring of income tax regulation 1100(4), they can now go back to normal levels of depreciation and still claim maximum allowable write-offs for tax purposes.

This could lead to some sharp fluctuations in reported net profits in the next few years, even though no change occurs in the level of earnings before depreciation and taxes.

Here is an article on the effect of the changed regulations specially prepared for The Financial Post by Lawrence G. Macpherson, C.A., director of research, Canadian Institute of Chartered Accountants. Mr. Macpherson outlines the problem, and offers a solution designed to eliminate possible future distortions in the profit picture.

By L. G. MACPHERSON

Now that it is no longer necessary to charge excessive depreciation in the accounts of companies in order to get the benefit of full capital cost allowances for tax purposes, a new item is going to appear in many company reports.

The new item: A deferred credit, on the liability side of the balance sheet, representing the accumulated tax reduction being made now through taking advantage, for tax purposes, of special high depreciation rates allowed by the Income Tax Act.

The reason: Many companies plan to show depreciation on a normal basis now, and this could make net profits artificially high now and artificially low later. However, by adjusting the tax provision upward by the amount of the tax reduction, the tax reduction won't show up as increased profit but will be deferred and brought into income later. The effect should be that a given level of profit before taxes and depreciation will result in the same net profit several years from now as it does now, assuming no change in tax rates or in the amount of depreciation.

Here is the background of the new plan:

Reduction of Current Taxes

When a company obtains a greater allowance for tax purposes than is represented by a normal charge for depreciation, the company's tax will, of course, be reduced accordingly. For example, if capital cost allowance for tax purposes amounts to $300,000 while the depreciation charge in the accounts is $200,000, the corporate income tax (at 49%) will be $49,000 less than it would be if only the depreciation entered into the accounts could be claimed as capital cost allowance.

In some later years the capital cost allowance for tax purposes will fall below the year's depreciation charge, and the tax will then be more than it would be if full depreciation could be claimed for tax purposes.

Effect on Profits

What does this mean for the prospective investor, for the shareholder and for management? Simply, that if nothing is done about it accountingwise—if we "let the chips fall where they may," as some people call it—then the profit curve is going to show some queer hills and valleys which cannot be explained by any changes in operating conditions or tax rates. The only explanation of the variation in net profit would be a statement of the fact that in some years the taxes were higher because the available capital cost allowances had already been largely used up. Without such an explanation, indicating the amount by which results had been affected, the reader would be at a loss to attempt to interpret the financial statements.

Viewpoint of Accountants

The Research Committee of the Canadian Institute of Chartered Accountants in its recent "Bulletin No. 10" has taken the position that, in most circumstances, distortion of the net profit figure can best be avoided if the tax "saving" of the early years (which in reality is only a temporary reduction) is not used to increase the net profit of those years but instead is brought into the profits of the later years when the capital cost allowances, which gave rise to the tax reduction, are charged as depreciation expense.

Taxes Down Now, But . . .

Companies can reduce current taxes under some circumstances through special high write-offs for tax purposes, called capital cost allowances. At the same time, they are now allowed to include the depreciation write-off in their books at normal levels. How this can mean higher taxes (and lower net profits) later is shown in the sample below, comparing normal depreciation, capital cost allowances, and the amount income taxes would fall below and then above normal (assuming constant earnings before depreciation and taxes through the period).

Year	Depreciation Charged	Capital Cost Allowance	Tax on Difference + Increase — Decrease
1	$1,000,000	$2,000,000	—$490,000
2	1,000,000	1,600,000	—294,000
3	1,000,000	1,280,000	—137,200
4	1,000,000	1,024,000	—11,760
5	1,000,000	819,200	+88,592
6	1,000,000	655,360	+168,873
7	1,000,000	524,288	+233,099
8	1,000,000	419,430	+284,479

In that way, the net profit for the early years will be the same as if the depreciation allowed for tax purposes coincided with the depreciation charged in the accounts. Net profit, in other words, would be the same as if the temporary reduction in tax payments had not occurred. The actual, though temporary, tax reduction will be carried on the balance sheet as a deferred credit—a benefit deferred until taxes are increased when the depreciation allowance for tax purposes falls below the depreciation charged in the accounts for the year. At that time the deferred credit will be used to reduce the charge in the accounts for increased taxes.

Where the amounts involved are not significant the deferment procedure is, of course, unnecessary.

Until practice becomes standardized, investors and analysts are going to have to look more carefully at profit figures, and the footnotes relating to them. As companies adopt the procedure advocated in Bulletin 10, the problem will be simplified, and the annual statements of a company over a period of years will be readily compared.

An Example

Take the case of an imaginary company, Consolidated Wax. Its costs, volume and prices are stable. Profit before depreciation and income tax amounts to $4 millions each year. Depreciation is charged in the accounts on a straight-line 10% basis at $1 million each year, and profit before taxes is $3 millions. If the capital cost allowance claimed each year for tax purposes was the same as the $1 million depreciation charged, taxes would amount to $1,464,200 and net profit would be $1,535,800.

But under ordinary circumstances Consolidated Wax, or any other company, is not likely to choose to pay taxes before it is required to do so. Accordingly, the company will claim full capital cost allowances. Assuming that the maximum allowance available in the first year is $2 millions, which may decline from year to year due to the diminishing balance method, this will affect taxes as shown in the accompanying table.

If the tax reduction of the first four years is brought into income, rather than being accumulated in a separate account to be offset against the higher taxes in the later years, the profit figure instead of being $1,535,800 each year will start at a high of $2,025,800 in Year 1 and fall to $1,251,321 by Year 8.

Distorted Profits

It must be remembered that this decline in apparent profits is not the result of any change in volume or operating conditions, but merely the result of minimizing tax payments in the early years, in the full knowledge that the taxes would catch up in the later years. Fortunately, the C.I.C.A. Research Committee does not believe that the results should be distorted in this fashion—or at least not without comment. The consequences would be frightening to contemplate. What, for example, would happen to the market for this company's shares over the eight-year period?

A Solution

The Committee has made a notable recommendation for a procedure to avoid the distortion. For Consolidated Wax, the procedure will be to adjust the annual tax charges by the figures shown in the last column of the table, so that in the early years the tax reduction will not be shown as increased profit, but will be deferred and brought into income gradually in the fifth and succeeding years. If other conditions remain constant, the net profit will be $1,535,800 each year, and that, the Committee holds, is a fair representation of the operating results.

To those who may be inclined to worry about the effect of future changes in tax rates on this procedure, a word of assurance is offered. The deferred tax reduction will appear on the liabilities side of the balance sheet as a deferred credit to expense, and not as a tax liability, since no tax liability actually exists until subsequent profits become taxable. Since it is not a tax liability, it need not be adjusted for changes in tax rates.

Inco Expects Record Output Of 275 Million lb. in '54

A record nickel output of about 275 million lb. is expected by International Nickel Co. in 1954, Dr. John F. Thompson, chairman of the board, states in a year-end review of the nickel industry.

(Inco sales amounted to 251.4 million lb. in 1953; output was boosted 2 million lb. a month in January, 1954, under terms of a contract with DMPA.)

Free-world nickel output in 1954 is expected to be a new record at 390 million lb., and 50 million lb. higher than in 1953. Over-all production by Canadian producers is seen at a record 320 million lb. — over 80% of all nickel produced in the world. Canadian nickel production in 1953 was 286 million lb. so that Canadian mines will be responsible for about 70% of extra output.

Most of the increase was assisted by government premium prices.

"Based on available information it is estimated that free world production in 1955 should approximate 415 million lb.," Dr. Thompson stated. "It is expected, after satisfying defense requirements and deliveries of government stockpiles under present schedules, more nickel will be available to free world industry for civilian applications in 1955 than was the case in 1954," he concluded.

Investment Trusts

	Divd. pd.▲ cents	Bid $	Ask $
Affiliated Funds .	......	5.70	6.17
Balanced Mut. ..	15(13)	4.58	6.03
Can. Invest. Fund	20(28)	7.66	8.40
Canafund	60(110)	28.99	31.74
Com'wealth Inter.	20(23)	6.51	7.15
Corporate Inv. ..	26.5(25)	7.19	7.82
Diversified Inc. shs. B	10(11)	...	...
Dom. Equity Inv.	40(33)	12.40	12.68
Grouped Inc.	16.5(19.1)	6.21	6.78
Inter-Amer.	......	10.84	11.91
Investors Mut. ..	29(28.5)	8.20	8.86
Leverage Fund ..	20(21)	4.74	5.21
Mut Ac. F.	10.185	5.03	5.46
Mutual Income ..	13.20	4.40	4.78
Resources of Can.	10(20)	6.03	6.63
Sup'vised Amer. .	......	5.29	5.34
Sup'vised Gr'th Fund	......	2.13	2.15
Sup'vised Inc. Fund	......	4.10	4.14
Timed Invest. ...	20(20)	†5.15	*5.15
Trans-Can. A	75.4(77)	22.80	...
Do. B	78.6(81)	23.10	...
Do. C	15.6(17.2)	4.75	5.10

†Less or (*) plus stock exchange commission.

Municipal Bonds

December 14, 1954

	Coup. %	Matur.	Bid. $	Ask. $	Yld. %
Calgary ...	3½	'69	96½	98½	3.65
Edmonton ..	3½	'69	96½	98½	3.65
Halifax ...	3½	'66	96	98	3.70
Hamilton ..	3	'67	94	96	3.50
Montreal ..	3	'70	90	92	3.65
Moose Jaw	3½	'69	97½	99½	3.55
Ottawa	3¼	'68	99	101	3.15
Regina	3	'64	92½	94½	3.60
S. J'hn N.B	3½	'65	95½	97½	3.80
Toronto ...	3	'68	93½	95½	3.40
Vancouver .	3¾	'69	99	100	3.75
Victoria ...	3¾	'68	98	100	3.75
Windsor ...	2¾	'73	77	79	4.25
Windsor ...	2½	'75	73½	75½	4.25
Windsor ...	3½	'75	87½	89½	4.25
Winnipeg .	3	'69	93½	95½	3.40

Unlisted Mines and Oils

(COMPILED FROM QUOTATIONS BY G. E. LESLIE & CO., MONTREAL)

December 20, 1954.

Stock	Bid	Offer			
Abeam	18	22	Lorie New	4	5
Adnor	5	6	Mac Kellar	20	22
Anthonian	23	25	Montgom'y	5	6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Burnt Hill	305	313	New Pen	5	8
Cal. Cont.	12	14	Provincial	2	4
Dawmac	100	105	Que Beryl	27	28
Fundy Bay	9	11	Roymont	5	7
Garland	34	40	St. Simeon	14	17
Glencona	2½	3½	Scott Chib	3	4
Imp. Min.	30	32	S. Bach	..	11
Int'l Asb.	4	6	Titanium	28	30
Kenmac	52	53	Trans D.	11	14
King Cop.	39	42	Ur. King	11	13
			Wm. Leys	18	23

Bond Tenders

12 Noon, Dec. 24, 1954, Government of Canada Treasury Bills—Payable Mar. 25, 1955 and Sept. 23, 1955, $40,000,000. Dated Dec. 24, 1954.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

O'BRIEN GOLD MINES declares that operations will "soon be brought to a close—possibly at the end of the current fiscal year." President Barry O'Brien reports in the annual report for the year ended Sept. 30, 1954, that results at the 3,450-ft. level and below have been discouraging. The small tonnage indicated is insufficient to return costs of carrying work to greater depth.

The mine will be on a salvage basis early in 1955 and a gradual withdrawal and clean-up will then be instituted.

Further work is planned on the company's Bachelor Lake property where a highway is promised by midsummer. Two promising blocks of ground in other areas have been secured for investigation, and a step-up in prospecting is planned. At Bachelor Lake, there is an estimated 235,000 tons of ore grading 0.34 oz. gold per ton.

Participation in activities of Alminex Ltd. and Oilwell Operators has continued in Western Canada with a considerable increase in value of participations stated to be indicated.

Net profit was lower at $23,379 in the latest fiscal year

CONDENSED BALANCE SHEET

As at Sept. 30:	1954	1953
Cash & bullion	$176,977	$142,699
Investment & Int.▲ ..	1,367,465	1,452,207
Accts. rec.	4,812	†7,721
Cost-Aid assist.	22,035	52,300
Total curr. assets ...	1,571,289	1,654,927
Stores & def. chgs. ...	178,203	176,130
Misc. assets	9	9
Part. in exploration ..	125,623	99,671
Claims & props	1,385,123	1,385,123
Plant & equip.*	33,144	47,245
Total assets	3,333,396	3,363,105
Accts., etc., pay.	57,168	49,350
Taxes reserves	1,963	292
Total curr. liabs. ..	59,131	49,642
Def. liab	2,923	8,350
Capital stock	3,000,000	3,000,000
Surplus	270,342	305,113
▲Market value	1,427,842	1,338,101
*After depr. of	987,376	974,744

†Including tax refund of $1,289 in 1953 and $1,585 in 1952.

Working Capital	1,512,158	1,605,285

INCOME ACCOUNT

Years Ended Sept. 30:	1954	1953
Bullion prod.	$830,111	$826,263
Add: Oth. inc.	46,365	47,438
Cost-Aid assist.	128,158	130,500
Total income	1,004,634	1,004,201
Less: Oper. costs	937,418	892,317
Admin., etc., exp. ..	51,403	50,625
Depreciation	†9,380	†13,080
Out. expl. w/o	61,124	14,308
[illegible]	[illegible]	[illegible]
Inc. tax res.	1,950	705
Net profit	▪23,379	▪32,806
Less: Dividends	65,000	63,800
Deficit for year	41,621	31,104

†In addition depreciation of $4,742 in 1954, and $6,898 in 1953 is included in operating costs.

▪Net profit in company's report includes $6,424 profit on sale of investments in 1954 and $3,874 in 1953.

Earnings per Share ..	$0.007	$0.010
Paid	0.02	0.02

OPERATING STATISTICS

	1954	1953
Tons milled	63,976	64,630
Aver. recovery	$12.76	$12.80
Ore reserves, tons	44,008	63,153
Aver. grade, oz.	0.354	0.439

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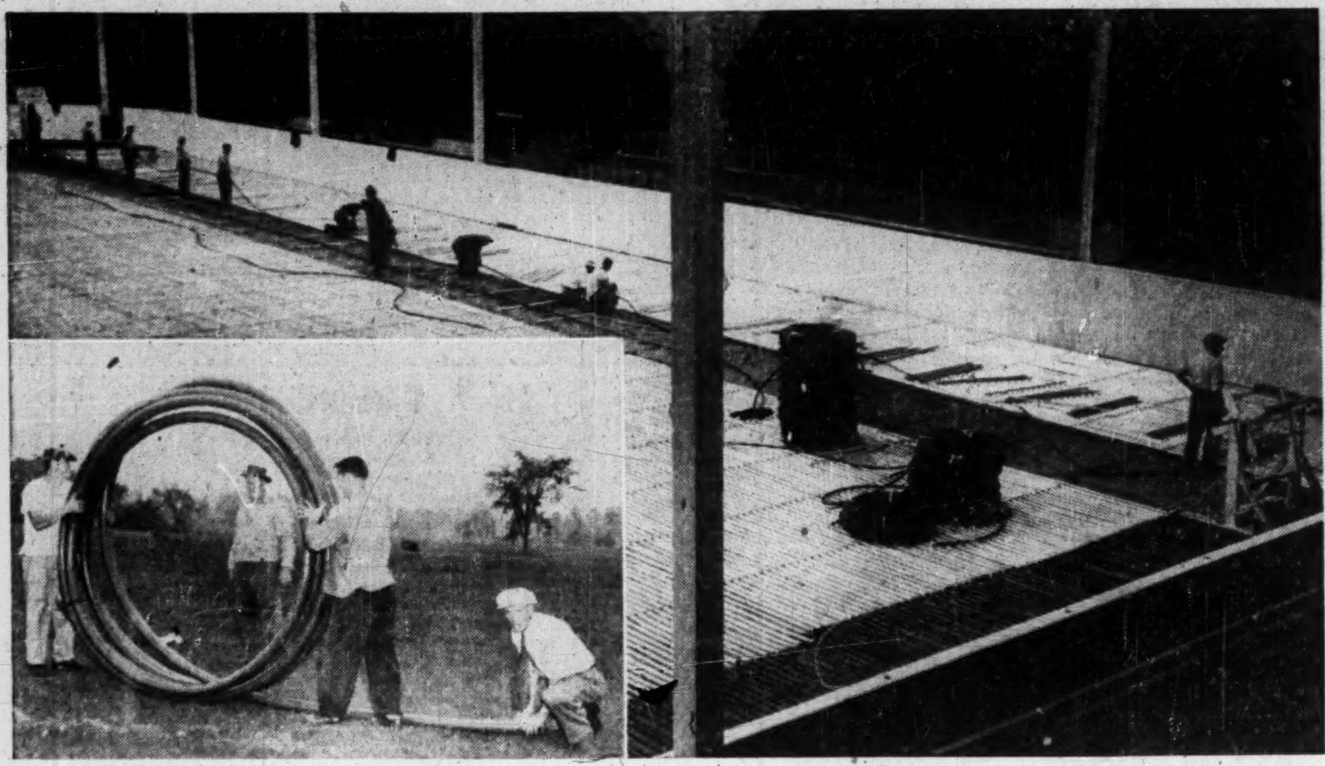


HAMILTON's Barton St. arena became first indoor rink in world to use plastic pipe—about nine miles of it. Lower right, Ingersoll, Ont., golf course tries out world's first plastic pipe system to keep greens green.

Plastic Pipe Pays This Piper

He Scores Firsts For Canada — And A Fat Order Book

By W. L. DACK

When Henri Miller—then 29—arrived in Toronto in the middle of the depression with no job and only $3 in his pocket his business future couldn't have looked less promising. When he got his first job selling chemical compounds for certain industrial applications he had to carry around a map of the city so he could find his way back to his rooming-house.

Today, with a $150,000-a-year business that looks as if it could easily quadruple next year, Miller looks back on those early haphazard days and wonders what could have happened had he stumbled onto something other than chemical compounds.

It was only a step to the anti-corrosion chemicals which he specialized in later and a second step into one of the best anti-corrosion products of all — plastic pipe. Because he got into this fast-moving plastics business early and was willing to take substantial business risks, Miller has been able to build up for himself an outstanding position in this field.

Miller has probably done more things with plastic pipes than any other man in Canada. He installed the first plastic pipe irrigation system for a Canadian golf-course. He installed the first plastic pipe floor for an artificial ice rink in North America. He put the first plastic fire line into a Canadian pulp camp. His various industrial jobs include piping systems in an enameling plant, caustic soda, alum producing plants; lines to carry sulphuric acid in a big battery plant, even special piping jobs in softdrink and ice cream plants.

A Growth Industry

"This is a tremendous growth industry," the enthusiastic Miller says. "Almost every day someone is thinking up a new application for plastic tubing."

But no one knows better than Miller the big difference between the "ideas" and the actual successful application in industry. For instance, he personally supervised almost every foot of the nine-mile plastic pipe laying job in the Hamilton Barton Street arena last year.

"Our firm was able to guarantee the job because we knew what polyethylene and a careful installation job could do."

This, the first Canadian plastic pipe ice rink, was followed last spring by a second job at Rossland, B.C. Just recently Miller's firm — H. J. Miller Enterprises Ltd. — received a contract for four more outdoor plastic pipe rinks in North York township, just north of Toronto; a job that represents 36 miles of polyethylene piping.

The design engineering for these first plastic pipe rinks in the world, is the work of a Toronto consulting engineer, C. A. Meadows. Meadows has now patent rights pending on his "Take-Up" rink. All told about 25 rinks have now been installed in Canada and U.S. on the Meadows design.

MR. MEADOWS

MR. MILLER

Meadows and Miller have worked closely on the Canadian jobs and see a big shift getting under way to these new type rinks. They think the traditional iron pipe rinks will become but a memory taking with them the problems of rust and corrosion.

Plastic Advantages

Not only do the plastic pipes cut rink costs by as much as 30% but in the summer the whole pipe system can be raised in a few hours and stored away for next winter leaving the land space available for other, summer sports. Better still, the pipes can be installed by volunteer, unskilled labor with the aid of the comprehensive set of engineering blueprints utilized in the Meadows Take-Up system.

Community helpers installed the Rossland, B.C., rink in seven days. This cuts overall cost that much more and brings artificial rinks within the financial scope of hundreds of Canadian communities now without rinks.

Being non-corrosive the polyethylene plastic tubing can carry the brine freezing solution without any ill effects. Because of its excellent performance at low sub-zero temperatures the same polyethylene material appears ideal in this application. To protect the thin-walled plastic pipe from possible skate cuts a metal shield is laid over the pipe. This, of course, is not necessary in a curling rink.

Enquiries have been pouring in from all parts of Canada, the U.S., and a number of overseas countries on the rink and other plastic applications.

"Right now we are working on a preliminary engineering job for a rink in Johannesburg, South Africa," Miller says.

Miller also foresees a trend toward installation of plastic irrigation systems for Canadian golf-courses over the next few years. Because the pipe is flexible it can turn corners without expensive fittings, can easily follow the rolling contour of the course. The whole system can be laid without any consideration for draining in wintertime. It is so light that one man can carry an entire 300 ft. of standard 1-inch diameter polyethylene pipe.

Miller remembers well the fall day in 1951 when he decided to enter the plastic pipe business in this country. There was only one pipe manufacturer in Canada at that time and potential users were looking on plastic with considerable suspicion. He visited one of the biggest U.S. suppliers and purchased $4,000 of polyethylene pipe in various diameters and lengths. When he got the pipe all piled up in his storage yard near his New Toronto home, "it looked like an awful lot of pipe."

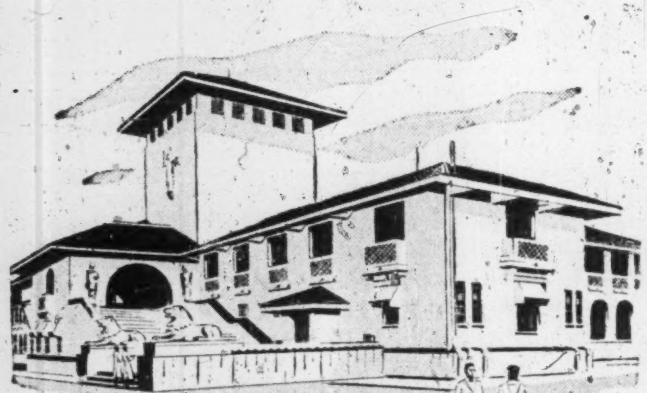
With this first shipment it was a case of his having to go out and sell it himself. This meant selling people on new uses in Canada. Because of many wrong sizes and the fact that it was winter, the pipe moved slowly at first. Miller had to do a lot of pioneer market work to dispose of that first pipe shipment.

Since that time he has experimented with, and handled, practically all the main types of plastic materials—polyethylene, polyvinyl chloride (he is the biggest salesman in Canada on this type), the acrylics (both tube and sheet), acetate cellulose butyrate, and is now working on a sizeable order in polyester plastic reinforced with Fiberglas. Miller knows, like few other men in Canada, the relative merits of these different plastics for particular jobs.

He can now supply almost any type of plastic tubing for industrial purposes. He also handles a broad range of fittings, will even quote on rink refrigeration units. He is a sort of one-man industrial team in himself, combining the offices of sales director, technical supervisor, sales promotion and advertising agent. As well as maintaining a downtown Toronto office he works extensively out of his home where he has installed two offset printing machines and does all his own sales brochures and letter heads. He owns several expensive cameras which he can handle with near-professional skill, making good use of his "shots" as illustrative material in his sales promotional literature. Mrs. Miller is the secretary-treasurer of the firm and keeps a close eye on accounts and general business health.

Business has expanded to the stage where Miller's firm now maintains agents and warehouses across Canada—volume has been showing a 25-50% increase for the last five years. At the same time the whole plastic pipe manufacturing business has expanded greatly and become much more competitive in this country. There are now about a dozen well-established pipe-makers in Canada and Miller is purchasing a good part of his tubing requirements domestically.

at Home and overseas



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Five Companies in N.B. Metal Search

From Our Own Correspondent

FREDERICTON — A group of five New Brunswick mining companies is reported planning to spend $1,250,000 on exploration and geophysical surveys in the Newcastle-Bathurst base metal area during the next year.

E. C. Atkinson, Q.C., solicitor for S.C.L. Mines, Bruno Metal Mines, Parks Brook Mines, Red Rock Mines and Sevogle Mines, disclosed that arrangements have already been made with Geo-Explorers Ltd., Toronto, to carry out the work on the approximately 2,700 claims held by the group in the area.

The claims held are said to flank those of American Metal Co. upon which major base metal strikes have recently been reported. The companies each hold between 400 and 600 claims in the area.

LETTER FROM LONDON

By Adelphi

LONDON — Jack Buchanan used to sing, with great acceptance, a song entitled "Everything Must Stop for Tea." And so it does. The British thirst for tea seems unslakeable. When workmen go on to the job, their first concern is to ensure their supply of tea in the forenoon and the afternoon.

On both occasions, of course, it is drunk in the bosses' time, which imparts an added flavor to it. But a storm is brooding over the tea cups.

Tea prices (like wages) rise higher and higher. Here was a quickly seized opportunity for the Socialists to have another smack at free enterprise and the greedy capitalists. But even the Co-operative News pointed out that the rises are largely the consequence of better wages for the workers on the tea estates in the Orient. This should persuade the Socialists to grin and bear it, as they have often declared.

It is one of their principal aims to raise the standard of living for everybody within the Empire, even if "we ourselves have to pay more for what we consume." In Ceylon it has happened, and Socialist solidarity melts away at once.

This behavior is on a par with their envious attacks on investors who receive slightly bigger dividends from their security holdings, while they smile benevolently on the winners of enormous sums in the pools for chancing to put 1, 2, X, in the right squares. Logicality is not the strongest suit of politicians anywhere. The Socialists are singularly weak in it.

Gambling is not confined to dukes and millionaires, and there is less gambling in a year on shares than there is in a day on horses, dogs and football coupons. Yet the Socialists say nothing about the last three. Even if they wished to do so they would not. It would cost them so much in votes.

* * *

Christmas Sales At Record Level

For the moment, the stock exchange is let alone, as business is quiet partly because investors are not quite sure whether they ought to be bulls or bears, and partly because the Christmas shopping has to be done.

The shops are doing record trade. Nearly everybody laments that money is tight, but all the signs indicate there has never been so much money about.

Somehow, we never talk of money being loose. Pessimists murmur gloomily of the day of reckoning, but ordinary men and women recall that though permanent ruin has often been predicted for us, in the event we have survived.

Peace, Good Will In Queen's Bearing

A pleasing and touching incident came my way while I was buying Christmas cards. Three young Polish women were doing the same. I was on speaking terms with one of them and I commented on the unanimity with which they were buying cards bearing a portrait of the Queen, and I asked them why.

"It's not," they said, "because she is Queen, although she is. It's not because we admire her intensely, although we do. It's because we feel that as a woman she has raised the status of women wherever they may be. That is very important to us, who are women in exile. Because of her we feel, spiritually, less in exile and less hopeless of the future."

If you think it out, you will, surely, see what they meant. The Queen has the power of personality that makes a mock of frontiers. Simply by virtue of being herself, after a careful and affectionate upbringing by singularly understanding parents, the Queen has become the representative and the exemplar of the women of the civilized world.

* * *

"Beau Brummel" Backfires

The choice of "Beau Brummel" as the film for the Royal performance was severely criticized on the ground that it was tactless to show an ancestor of the Queen as the sorry character that George IV was. There is a good deal to be said for that point of view.

But so far as the public anywhere are concerned, the film may serve a useful purpose, in reminding us how much luckier we are than our forefathers. And it will serve the further purpose of demonstrating that hereditary monarchs of a worthless kind, as George IV undoubtedly was, does infinitely less harm than a dictator, such as Hitler or Mussolini or Stalin. In this context, as in many others, we should do well to observe Dr. Johnson's admonition to clear out minds of cant, even when, and perhaps especially when, it is uttered by historians and political philosophers.

* * *

World Progress —The Hard Way

As 1954 winds to its close it might not be amiss to give a short survey of the prevailing mood in Britain as far as the foreseeable future is concerned.

Rightly or wrongly the British do not see any immediate danger of war on a big scale. If we divide the world into two sections — the Communist and the Free — no sane man could imagine either side conquering the other. In fact if a war took place on a global scale it would be impossible to find the victor. At any rate that is the opinion in London.

But the British are keenly aware that Communism must be combated in the backward areas of the world. Already the British and Americans are planning to help India to raise its standard of living. There are also plans to do the same thing in Africa. Poverty and backwardness are the natural allies of Communism.

Therefore, I prophesy that 1955 will be a tough year which will show progress on a global scale. And with that mildly encouraging thought I extend to the readers of The Financial Post all good seasonable wishes.

COMPANY REPORTS

MINDUS CORP. realized a consolidated net profit of $47,070 in the seven months ended July 31, 1954, against a $1,864 loss for all 1953. However, consolidated deficit account was increased by $1,064,052 to $2,309,899, reflecting chiefly write-downs of security values over and above investment reserves.

Consolidated holdings at July 31, 1954, included 18,000 shares of Hendershot Paper Products, 196,826 common shares of Maxwell Ltd., 1,042 preferred shares of Maxwell Ltd., with a combined market value of $957,044. The company's entire portfolio of mining and oil issues is now carried at $416,427.

New interests acquired a substantial block of shares in the company and a revised management meant a discontinuance of several unprofitable operations and the more conservative valuation of Mindus assets.

During 1953, Mindus, through its subsidiary, Montor Industrial Corp., transferred to Maxwell its controlling interest in Universal Cooler Co., Mica Co. of Canada and Marchand Furnace, receiving sufficient additional Maxwell shares to bring holdings to the 196,826-share total.

If the net earnings of the Montor interest in the group of industrial companies were capitalized at a 6% rate, it would reflect a value greatly in excess of the conservative book value now employed, Gordon K. Masters, vice-president, reports.

It was decided best to accept an offer for purchase of Bickle-Seagrave holdings and an option has been granted to a new group to purchase controlling interest in Metaplastic Identifications and Canadian Anodized Products.

CONS. INCOME ACCOUNT

	7 mos. ended Jul. 31 1954	12 mos. ended Dec. 31 1953
Revenue	$119,773	$213,912
Less: Gen. exp.	37,599	132,508
Min. int. subs. profits	......	1,604
Deprec.	890	1,638
Debent. int.	34,214	79,976
Net. prof. & surp.	47,070	d1,864
dLoss or deficit.		
Earned per Share	$0.018	d$0.001
None paid.		

CONDENSED CONS. BALANCE SHEET

As at:	Jul. 31 1954	Dec. 31 1953
Cash	$610	$4,836
Deposits	1,500	......
Mkt. invests.▲	1,207,053	2,835,618
Accts., etc., rec.	12,270	9,924
Total curr. assets	1,221,433	2,850,378
Prep. exp.‡	343	375
Due from affil. cos.	17,290	......
Other invest. & adv.	741,169	†728,632
Goodwill	62,925	62,925
Misc.	40,356	60,093
Fixed assets*	4,085	4,976
Total assets	2,087,601	3,757,379
Bank overdraft	2,840	18,170
Accts., taxes, etc., pay.	100,185	123,879
Total curr. liabs.	103,025	142,049
Res. for stk. bonus	......	......
Minority int.	......	8,407
Due other cos.	42,725	633,020
Funded debt	1,139,550	1,139,550
Capital stock	3,112,200	3,080,200
Less: Deficit	2,309,899	1,245,847
*After depr. of	10,342	9,452
▲Mkt. value	957,044	2,472,537
‡Included in curr. assets in co's accounts.		
Working capital	1,118,408	2,758,329

†After reserve of $1,416,529.

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ANNOUNCEMENT

JAMES F. HARRIS

of Toronto has been appointed General Manager of Cloverdale Shopping Centre Limited, Ben Dunkelman, President of the Company has announced. Formerly Assistant to the President of Don Mills Developments Limited and of the Greater Hamilton Shopping Centre Limited, Mr. Harris has had extensive experience in the planning and administrative aspects of shopping centre development. Construction on the first stage of Cloverdale Shopping Centre is expected to begin early next spring.

Agreed Rates: Threat To Industry?

Could Dislocate Local Economics, Argues Canada Packers

"Agreed charges" — agreements under which a railway contracts for most of a company's freight business in exchange for special rates — are a thorny issue in Canada's transportation structure. This week a one-man Royal Commission, Hon. W. F. A. Turgeon, wound up an agreed charges probe that started in September. The railways want to eliminate red tape so they can set more agreed charges. The packing industry, for one, takes a different view. This is a digest of the packers' argument, delivered this week before the commission by H. L. Rowntree, counsel for Canada Packers Ltd.

Canada Packers Ltd. is before this Royal Commission because it is opposed to the principle of Agreed Charges as a rate-making device.

It is also concerned about the amendments to the Transport Act which are proposed by the railroads. Such amendments would result in sweeping changes in the transportation economy of this country which could have a tremendous impact on Canadian industry and constitute a threat to the stability of industry. The very existence of established industry in any given area is threatened by the sweeping proposals advanced by the railways which, we submit, are not desirable in the national interest.

We do not believe that the agreed charge device will provide the increased revenue needed by the railways, nor do we subscribe to the suggestions of railway witnesses that they should be freed from the regulatory control of the Board of Transport Commissioners.

But there is another, more fundamental issue emerging — which brings Canada Packers Ltd. to this Commission. The amendment proposed by the railways and the evidence which the railways have adduced indicates in clear and unmistakable terms that the railways of Canada do not propose to consider the problems of industrial firms which constitute such an important segment of the Canadian economy.

Both rail and truck transportation possess inherent advantages which must be preserved for the industrial economy of the country and in the national interest as well.

It is obvious from the tenor of the evidence submitted by the railways, and particularly that of Mr. Fairweather (CNR vice-president, research and development) that the railways contend they are in the same position as private enterprise and as such should be free to negotiate and to enter into agreements on their own account, with no concern as to the effect on industry, its operation in our economy or in the location of its established plants.

There can be no mistaking the tenor of Mr. Fairweather's evidence and the advancement of his freedom concept in railway operation as opposed to the regulatory control in force in the U.S. Indeed his freedom concept goes toward an abandonment of such regulatory control as we have under our Board of Transport Commissioners.

It is obvious that the present proposed amendments are but one step along the way toward the realization of this alleged freedom concept.

We submit that there are certain types of industry which by their very nature in our democratic way of life are affected by the public interest and to which are implied or imputed the concept of public utilities requiring regulatory control. The theories advanced by Mr. Fairweather, if carried to logical conclusion, would free other institutions such as hydro, telephone, telegraph, pipelines, banks, insurance companies, etc., from any form of regulation.

One of the most important questions to be decided by this Commission is whether or not the railways of Canada are affected by the public interest and also as a secondary matter, whether or not the trucking industry is also affected with the public interest.

Competitive Rates

Withdrawal of a competitive rate in favor of agreed charges may force shippers to seek other forms of transportation which results in a loss of traffic, actual and potential to the railways.

The fact is that the threat of withdrawal of a competitive rate when an A.C. is being negotiated amounts to an act of compulsion by the railways—to impose on the shipping public a device of rate-making which may be, as has been the case in the past, completely unacceptable and not appropriate to the industry involved.

Industry's Location

The location of existing industry must be taken into account in any acceptable rate-making principle in so far as the shipment of like products or their substitutes is concerned.

The railways have assisted industry in its location of plants, warehouses, etc. Their intention appears to be working toward a complete disregard of this geographic factor.

If the railways were permitted to abandon their recognition of plant and geographic location and capital investment, with the dislocation of industry and its consequent cumulative effects on our economy and particularly our labor forces (and after all that is what constitutes the community), then we have cause for serious concern.

We ask this Commission to find that in the national interest the railways, when establishing new rates of new rate-making principles, should take into account industries already established in areas whose operation would be affected by such new rates or whose geographic location might be affected adversely.

Packers Different

This situation is not peculiar to Canada Packers Ltd., but applies to the packinghouse industry generally. This Commission has had evidence corroborating this fact from the traffic manager of a leading competitor.

There is a striking difference from the transportation problems involved in other industries. A witness on behalf of one of the petroleum companies states that his company projected its entire operation for some five or more years ahead. This is in sharp contrast to the week-to-week, almost day-to-day operation of Canada Packers and it is this essential characteristic of our industry which we ask the Commission to recognize.

Another factor which has not been taken into account by the railways in their argument is the contractual element of an agreed charge involving patronage clauses.

Now with respect to those witnesses who have testified on behalf of shippers who are parties to agreed charges, I submit I am putting it fairly when I say that all of them represent reputable business firms, but had they had their choice, they would have preferred to have had a competitive rate established rather than the agreed charge, and that their becoming a party to an agreed charge was based entirely on the problems arising from their own particular industry or company operation.

What About Shippers?

I submit that there have been and will be in the future many situations where the remedy for unjust discrimination, namely the taking of a fixed charge, is not a remedy at all nor is it the purpose of a complaining shipper in all cases to ask for a fixed charge. At present the remedy for a complaint against unjust discrimination, arising from an agreed charge would appear to be the opportunity to accept a fixed charge which would be in the same terms as the original agreed charge.

Now this present remedy may not be acceptable to a shipper who did not have the good fortune to be asked by the railway to enter into the original agreed charge and to negotiate the terms contained therein.

Admittedly, the matter is a question of contract, but a contract requires a meeting of the minds. The parties must be ad idem, they must be in harmony and agreement before any contract may be concluded or agreement reached.

Now the attitude of the railways with respect to the packing industry appears to be clear in that they have not and apparently do not intend to consult these firms with respect to their proposals for agreed charges. In this situation how can Canada Packers Ltd. meet the future with any degree of certainty or assurance as to the treatment that will be meted out to them or the conditions which the railways will demand, or agree to in transportation matters?

Some reference has been made to the fact that agreed charges have been in existence since 1938. Argument has been advanced that because the Board of Transport Commissioners have not turned down an agreed charge to date, such a record establishes the agreed charge as an acceptable form of rate-making.

We cannot accept such a statement or argument by the railways. It is true that agreed charges have been a legal rate-making device since 1938, but the fact is that agreed charges were not applied in a general way until 1952 and that to date there are 48 agreed charges presently in effect. It is the railways' declared intention to pursue this method of rate-making and that they expect that there will be several thousand of these agreed charges in the future. We submit that the experience gained in agreed charges has been confined to such a few firms and limited to such a few situations that it has not been established that it is an acceptable form of rate-making in any general sense of the word.

In so far as we are concerned, we submit that the agreed charge has been established as an unsatisfactory method of rate-making.

The fact is that the larger of our two major railways is publicly owned and any deficit which is subsequently incurred through the failure of the agreed charge principle to supply the desired result, is one which must be paid for by us as taxpayers and citizens. We have a dual interest in the Canadian National Railways.

Regulate Truckers

If regulatory control were extended to the trucking industry and rates set at a level to assure the railways of sufficient revenue to attain a sound financial position, the published rates of both rail and motor carrier would be available to all shippers on the same basis.

The shipper would then have available to him the two forms of transportation each with their own inherent advantages.

The grim fact of the matter is that the railways and the trucking industry are engaged in a life and death struggle for survival. We submit that in the course of this struggle we—the shippers—do not want nor do we intend to be caught in the middle.

The submission that the regulatory control over truck freight rates be attained through the provinces in co-operation with each other is made, for the following reasons:

1. That if competition were subject to no control it is possible that one form of transportation would be eliminated or weakened and its inherent advantages lost to the shippers of this country;

2. At the same time there is no guarantee that the freedom of concept of unregulated competition will achieve a solution to the problem of the Canadian National Railways;

3. That it is in the national interest to maintain and preserve alternate forms of transportation whether they be by rail, water or highway, or air.

Canada Packers' View

Positive evidence as to the conditions under which our Company and the industry operates has been presented to the Commission. Admittedly it is the only industry which has appeared before this Commission to make such presentation. It is noteworthy that no evidence in contradiction of our position has been brought by the Railways before your Lordship, and in the fact of this it is our earnest submission that some acknowledgment of the position of Canada Packers and the packinghouse industry be made by this Commission.

At 3,196 Vol. 28 Professor McDougall said:

"Handling perishable products whose prices not only vary widely but are in substantial part unpredictable and at very narrow margins of profit, no packinghouse plant dare tie itself up in any transportation arrangement for such an extended period as a year without knowing that all of its competitors are going to be completely subject to the same conditions. This is practically an impossibility."

No specific evidence was produced by the railways in opposition to this evidence. Rather it was stated that the witnesses of the railways had no knowledge of the problems of the packing house industry.

One of the very important matters to be considered by this Commission is the impact of agreed charges on producers and consumers.

Canada Packers, however, believe that the producers and consumers of Canada do occupy a vital place in the Canadian economy and that their position must be taken into account in any consideration which might affect them.

Just Not Practical

Some industries are concerned with the marketing of a relatively few commodities. Some industries involve a relatively small number of competitors, and it is not practical for this company to apply A.C. to its many products. We submit this to be a strong and valid argument.

Railways and the Law

May I direct the attention of the Commission to what I regard as one of the fundamental issues arising from the request of the railways for an amendment to Section 32 of the Transport Act.

Railway legislation from its inception was based on certain concepts of the common law and in the present Railway Act, and its predecessor's statutes, great care has been taken to state in clear and unmistakable terms the rights and duties of the railways and also the rights and duties of shippers. What is known generally as the equality section and those parts dealing with unjust discrimination and undue preference are among the most important sections of the Railway Act. Indeed the present Act contains a statement with respect to national transportation policy embodying the various forms of transportation in a manner which will preserve in the national interest the inherent advantages of each.

Now let us refer to the Transport Act Section 32(1).

In 1938 when the Transport Act was enacted, two things took place: Firstly, the provisions applying to agreed charges were made effective "notwithstanding anything contained in the Railway Act" — so that on the one hand the equality sections and all those provisions which existed for the protection of shippers were no longer applicable. The second was that the use of agreed charges was made subject to very specific regulatory control and it is our submission that both of these aspects of the Transport Act must be taken together.

The protection given to a shipper under the provisions of the Transport Act is substantially less than the normal protection given a shipper under the Railway Act, and reference has been made under the remedial provisions of the Transport Act that to date no shipper has been able to secure any other remedy to his complaint against an agreed charge than that of taking a fixed charge. It may be said with certainty that the remedies under the Transport Act to a shipper for alleged unjust discrimination are narrow indeed.

There are some 48 agreed charges presently in effect. The surface has not been scratched. Those shippers concerned with those 48 agreed charges have had their natural rights in so far as the railways are concerned and which are provided for in the Railway Act taken away from them.

It has been stated and there can be no doubt that the railways are about to embark on a program of wide application of the agreed charge principle and we ask Your Lordship to bear in mind that as the number of agreed charges is increased, in direct relationship to this movement, so do the shippers gradually, slowly but surely lose the benefit of the protective sections of the Railway Act. The cumulative effect of this progressive use of agreed charges by the Railways is that the Railway Act and the shippers' protective clauses are undermined and eventually the Railway Act will have no substantial meaning, all of this having been accomplished without any repeal of the pertinent sections of the Railway Act or of the Act itself.

Rexspar 2nd Adit Now Being Driven

Rexspar Uranium advises that following 25 ft. of open cutting and facing work at the adit portal, a crosscut drive had been advanced a total of 12 ft. L. F. Labow, manager, Technical Mine Consultants, notes this is the second adit to be driven on the company's Kamloops, B. C., property.

"A" zone development will initially involve some 900 to 1,000 ft. of drifting and raising work estimated to require about four months to complete.

Objective of the "A" zone development is fundamentally the same as it was with the Black Diamond ore development work, Mr. Labow stated. This will be to test the ore in place, delineate the ore zone and add to the 110,000 tons of $15.95 ore material indicated in surface drilling to date. In this regard, Mr. Labow pointed out that underground work on the 600,000-ton BD ore zone revealed the presence of larger tonnages than indicated by surface drilling and it is considered probable that similar conditions and results will be encountered in the "A" zone program.

The ore dump area has been cleared and mine car track laid. Fuel and water storage tank installations in the portal area have been made.

Diamond drilling, trenching and mapping work on a series of radioactive pyrite-mica showings north of the fluorite zone continues.

ANNOUNCEMENT

J. G. MITCHELL

G. I. McMILLIN

Mr. E. J. Cosford, President and Managing Director of Canadian Car & Foundry Company, Limited, following a meeting of the Company's Board of Directors, announces the appointment of J. G. Mitchell, B.Sc.P.Eng., as Vice-President i/c Manufacturing, Railway Car Equipment, and G. I. McMillin, B.S.C.E., as Assistant Vice-President — Steel Foundry. Mr. Mitchell was previously Chief Engineer and Production Manager — Car Division. Mr. McMillin recently joined Canadian Car & Foundry Company, Limited, after extensive experience in the United States, latterly as Works Manager of the General Steel Castings Corporation, Granite City, Illinois.

VILLAGE OF PICKERING, Ont., has sold $165,499 1-5 and 1-20 year 4½% debentures privately to Bankers Bond Corp. Proceeds for the construction of a basic water distribution system and a grant to Ajax-Pickering General Hospital.

To our unregistered shareholders:

we would like to know

. . . just how many of our shareholders are aware of the recent developments that have taken place in the Black Bay section of the Beaverlodge Uranium Area and the projected programme at the property of —

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Condensed Annual Statement

30th November, 1954

ASSETS

Cash on hand and due from banks (including items in transit)	$ 467,429,065
Government of Canada and provincial government securities, not exceeding market value	969,888,546
Municipal and other securities, not exceeding market value	288,188,034
Call loans, fully secured	156,395,203
Total quick assets	$1,881,900,848
Other loans and discounts	1,031,626,844
Mortgages and hypothecs insured under the N.H.A. (1954)	22,672,390
Bank premises	24,194,181
Liabilities of customers under acceptances, guarantees and letters of credit	59,349,565
Other assets	7,152,016
	$3,026,895,844

LIABILITIES

Deposits	$2,797,548,149
Acceptances, guarantees and letters of credit	59,349,565
Other liabilities	23,064,466
Total liabilities to the public	$2,879,962,180
Capital paid up	41,809,863
Rest Account	103,619,726
Undivided profits	1,504,075
	$3,026,895,844

STATEMENT OF UNDIVIDED PROFITS

Profits for the year ended 30th November, 1954, after making appropriations to Inner Reserves, out of which full provision for bad and doubtful debts has been made		$20,913,511
Provision for depreciation of bank premises		2,079,466
		$18,834,045
Provision for income taxes on above profits		9,276,000
		$ 9,558,045
Dividends at the rate of $1.42½ per share	$5,151,634	
Extra distribution at the rate of 10 cents per share	417,711	$ 5,569,345
		$ 3,988,700
Transferred from Inner Reserves after provision for income taxes exigible		16,000,000
		$19,988,700
Balance of undivided profits, 30th November, 1953		1,515,375
		$21,504,075
Transferred to Rest Account		20,000,000
Balance of undivided profits, 30th November, 1954		$ 1,504,075

JAMES MUIR,
Chairman and President

T. H. ATKINSON,
General Manager

Algoma Uranium Hunt Expected to Widen As Favorable Area From Cobalt to Sault

By GORDON M. GRANT

A great widening of exploration for uranium belts similar to the 100-mile long "S" of the Algoma uranium camp appears a probability for this coming summer. It may spread as far east as Cobalt, as far west as Sault Ste. Marie. Ontario could easily become a hive of exploratory activity here.

Ore tonnage possibilities of the original "S" already exceed anything established elsewhere in the Western Hemisphere and repetitions of this type of occurrence could place this section of Western Ontario among the top uranium mining regions of the world.

The view of a widening out of exploratory activity is supported by the knowledge of widespread occurrence of conglomerate bedding — and the growing realization of the magnitude which the conglomerate type of uranium deposit may possess.

In a speech last month before the Canadian Institute of Mining & Metallurgy, Franc R. Joubin — the one largely responsible for present known discoveries — had this to say on regional chances:

"On the basis of reconnaisance prospecting already undertaken, this type of uranium deposit may prove quite widespread in areas of Proterzoic sediments such as the ideally-situated 10,000-square mile region between Cobalt and Sault Ste. Marie in Southern Ontario."

While the chances appear bright for location of other uranium occurrences, their discovery may not be easy. An airborne survey completed over the Algoma camp proper revealed many radioactive anomalies, it is true. But work on the ground showed that some of the most pronounced were caused by radioactive boulders, exposed areas of slight radioactivity, etc.; aerial reconnaisance may be of little real assistance in locating the relatively low grade type of deposit found in the conglomerates.

Probably the type of prospecting which led to discovery of both the Nordic Lake and Quirke Lake deposits of Algom Uranium may be the answer. As new conglomerate beds are established, prospecting can be carried out along the contact for tell-tale radioactivity. From experience of both Pronto and Algom, it is known that even very low uranium values cannot be ignored. Surface leaching of the pyrite-containing uranium ore can mean much reduced values over what can often be established by surface drilling to depth.

Look For New Activity

When uranium was first found in the Blind River area, a tremendous claim-staking bee got under way on the basis of the fact that the presence of conglomerates was known to be fairly general. But aside from one or two sectors such as Espanola, exploratory work appears to have been rather desultory and the real chances have yet to be tested. The area of potential importance in the original "S" area was so extensive that financing of outlying ground became virtually impossible. But it is now thought likely that there will be another wave of activity looking over outlying chances.

There is a surprising conflict of views on how uranium was deposited in the Algoma uranium camp. Some people claim that faults had an important bearing on ore deposition. There are others who hold just as strongly that the faults have no bearing whatever on ore deposition.

But the main "fight" is on whether uranium deposition was placer or hydro-thermal in origin. There are informed technical men who take both sides.

One strongly held technical view is that the uranium is placer because important uranium deposits occur where dips are flat. It is thought that this may have something to do with the fact that all the ore bodies so far have been in east-west parts of the "S" with no important deposits located on the north-south bends. The people which hold the placer view admit there are some things which they can't reconcile at the present time. But they claim the hydro-thermal origin "authorities" will eventually come round to the placer view.

But the hydro-thermal people have strong ideas for their way of thinking. They readily admit the conglomerate beds were placer in origin and thrown up by prehistoric seas. It is pointed out that the conglomerate beds of ore bodies are not nearly the same as the general run of conglomerates in the area. One engineer who has devoted a considerable study to the area has a theory that the uranium is not only hydrothermal in origin but that uranium is replacement in character.

He feels that when the pebbles of the conglomerates were deposited by ancient seas, a certain amount of vegetable matter, wood, reeds, etc., was washed up as well. It is thought that the uranium replaced carbon in these old beds. The pebbles in the conglomerate themselves contain little or no uranium.

This engineer ridicules the idea of a placer origin for the uranium. With a wide experience in placer mining himself, he states that anyone with placer mining experience would know that the Algoma uranium was not placer in origin. "How would you account for the uranium in the cracks of the pebbles if deposition was not hydro-thermal?" he asks.

It is possible that the discussion over the origin of the uranium may continue for some time. But the last-mentioned engineer thinks that possibly some underground fossil discovery may be stumbled upon which may end the debate for once and all.

But while the engineers and geologists are still arguing over the origin of the uranium, no doubt appears to exist that it is present in substantial quantity even though average grade of ore is on the relatively low side.

This summer is expected to see a considerable expansion of Ontario Department of Mines investigation.

CANADIAN DECALTA GAS & OILS has advised that stock options on a total of 224,000 shares have been voluntarily surrendered to the company as of Dec. 10, 1954, by the five holders of those options. The only options now outstanding are those for 75,000 shares to full-time salaried officers of the company.

Wildnest Drill To Be Flown In On January 2

While a drill test of copper-zinc-silver-gold discoveries of Wildnest Mines was delayed by a spell of mild weather, a drill is now expected to be flown in Jan. 2 for an early start in the new year.

No official details have ever been published on results secured although the strike, principally copper, has been described as one of the best exposures reported from the Flin Flon area. Location is in the Wildnest sector northwest of Flin Flon.

The showings on the ground have been opened by a series of trenches with widths apparently extending up to 20 ft. or more.

Diamond drill exploration is to be done under supervision of Rio Canadian Ltd., a subsidiary of Rio Tinto Co. which is financing current operations. Wildnest has at present 1,020,000 shares issued of an authorized capital of three million shares with sufficient shares held under option by Rio Tinto to give a controlling interest.

Lorado's Ore Averages $69

For 605 ft. of drifting completed in ore at the 220-ft. level of Lorado Uranium Mines to Dec. 10, the average grade was 0.48% U_3O_8 or $69.60 per ton over an average drift width of 7.2 ft.

This ore was comprised of 213 ft. in 101 north drift, 211 ft. in 103 south drift and 181 ft. in 105 north drift.

The 101 north drift ore averages 0.30% or $43.50 over 7.2 ft.

For the 103 south drift average grade was the same as for the 101 north drift.

The 105 north drift was by far the best in grade averaging 0.90% U_3O_8 or $130.50 per ton.

Full widths are to be determined later by means of flat drill holes put out east and west from the 103 and 105 drifts. These holes will be put out at 50-ft. intervals with stub crosscuts at 150-ft. intervals.

The crosscut put out east from west from the 103 south drift showed a 140-ft. width averaging 0.28% or $40.60 per ton.

Rix Cuts Debt, Uses New Funds For Wider Mine Investigation

An additional $375,000 raised by Rix Athabasca Uranium Mines is to be used for the two-fold purpose of reducing loan indebtedness to $100,000 and for financing an expended program of mine development.

With the Smitty ore section in profitable operation with several years' ore in sight, it is now proposed to complete development of other known sources so that either the present output can be increased for possible sale to Eldorado or sufficient ore placed in sight to justify construction of new ore development on the Rix property. The various possible approaches to new ore development are still under study by the mine staff. The probable alternate programs as outlined by Franc R. Joubin, managing director, are as follows:

1. Deepening the Smitty shaft three additional levels; developing ore below the present mine; undertaking drift development of the 201 fault zone from Smitty 5th level.
2. Sinking a No. 2 shaft in a section between the Leonard series and 201 fault zone, probably to three levels, and developing both these ore areas from this new shaft, or
3. Sinking a shaft, probably to three levels, in a section between the Leonard series and Leonard shear and developing these two ore areas from this working. This project would be preceded by additional limited surface drilling.

The cost of each of the above programs is about $300,000. The time required for each is about one year.

Great Sweet Grass Reserves Rise to 133.5 Billion Feet

A 90% increase in gas reserves to 133.52 billion cu. ft. in the Steveville and Kessler fields alone is reported by Great Sweet Grass Oils in a progress report to shareholders.

The latest estimate compares with 70 billion cu. ft. reported last July and makes no allowance for interests in the Princess field where the company has 50% to 95% interest in 7,040 acres of potential oil or gas lands including a 50% net in a capped well with an indicated gas potential of 17 million cu. ft. daily.

As of Dec. 10, Great Sweet Grass reported varying interests up to 100% in 29 standing gas wells, seven standing oil wells and five producing oil wells.

The improvement in the gas picture in the latter part of 1954 is stated to stem from drilling of 16 wells by Canadian Export Gas on a farmout from Great Sweet Grass and associates. Fifteen of these wells were brought in as successful gas wells.

The company report points out that the successes achieved in the Steveville area were obtained on an area covering only 32 square miles of farmout in a total area of 90 square miles. Current plans call for Great Sweet Grass to develop the remainder of this area on its own account. An active program is also planned early in 1955 for the Kessler area, in which the company and its associates have indicated a gas field extending for a length of 11½ miles.

L. Nordic Drilling Hole Below 1,000 ft.

Diamond drilling has been resumed on the Algoma uranium area property of Lake Nordic Uranium Mines with No. 1 hole now below 1,000 ft., The Financial Post is advised.

The hole is a strategically located one, down dip of the known ore section of the Nordic Lake uranium occurrence of Algom Uranium Mines.

Officials plan to carry the first hole right down to "basement" below the basin irrespective of what kind of an ore occurrence may be secured in the anticipated conglomerates. This is for the purpose of securing general geological information on the area.

Meta Uranium New Strike Shows Up in 2 Drill Holes

An entirely new uranium structure, lying parallel and to the north of the first, has been turned up in diamond drilling at the Beaverlodge property of Meta Uranium Mines, The Post is advised.

The first hole intersected 12 ft. averaging 0.51% U_3O_8 or $73.95 per ton or, alternatively, 0.27% U_3O_8 or $39.15 per ton across a greater width of 25 ft.

A second hole has picked up four intersections at a location 70 ft. east of the first but assays are not yet available. The intersections were at footages 134 to 148, 310 to 318, 326 to 352 and 352 to 383 ft. The section from 326 to 352 ft. was stated to look the best and apparently lines up with the intersection in the discovery hole. It also is in the quartzites below the conglomerates.

The next hole is to be drilled 50 ft. to the west of the original discovery hole which, if successful, could give a length of 120 ft. to the new structure.

The latest showing is at about 315 ft. vertical depth and the management will want to trace this back up to the adit horizon.

$8.26 Best Value In Roche's Hole

Assays for the first hole completed by Roche Long Lac Gold Mines were somewhat below those for more recent holes at Consolidated Denison four miles to the west.

John R. Rea, president, outlines the situation as follows:

"The No. 1 hole on the property of Roche Long Lac in the Blind River area has intersected a horizon of radioactive mineralized quartz pebble conglomerate beds below the argillite between 1,825 ft. and 1,848 ft. Assay results show a 2 ft. section of 0.055% U_3O_8 or $7.97, a 4.5 ft. section averaging 0.057% U_3O_8 or $8.26 and a 3.2 ft. section of 0.047% U_3O_8 or $6.81. All assays are based on a price of $7.25 per pound for contained U_3O_8.

"The first hole has cut the basement rock consisting of granite gneiss at approximately 1,935 ft. and has been stopped and the machine moved to the location of No. 2 hole about 2,400 ft. south of No. 1 where it is planned to intersect the conglomerate horizon a little farther down the dip.

"The company's engineering consultants are very encouraged and a second drill has been engaged to move on to the property as soon as possible."

ACADIA URANIUM MINES is maintaining holdings in the New Brunswick and Beaverlodge areas in good standing although no ore bodies have yet been established on any of these holdings. Tentative proposals have been received for the 29 claims in the Contact Lake area but there is stated to be no definite news to report at the moment.

Balance sheet as at June 30, 1954, showed $137,011 cash as against $5,739 current liabilities. Securities with a book value of $35,430 had a $35,624 market value and there were advances to other mining companies of $57,000.

ANNOUNCEMENT

BANK OF COMMERCE VICE-PRESIDENTS

JOSEPH HARRIS, LL.D. H. R. MACMILLAN, C.B.E., D.Sc.

At a meeting of the Board of Directors of The Canadian Bank of Commerce held on December 14th, Mr. Joseph Harris, LL.D., Winnipeg, and Mr. H. R. MacMillan, C.B.E., D.Sc., Vancouver, were elected Vice-Presidents of the Bank. Mr. Harris is President of The Great-West Life Assurance Company, a Director of Canadera Limited and Beaver Lumber Company Limited. Mr. MacMillan is Chairman of the Board of MacMillan and Bloedel Limited and British Columbia Packers Limited, a Director of Dominion Tar and Chemical Company Limited, The International Nickel Company of Canada Ltd., and a number of other Canadian companies.

The
Canadian Bank of Commerce

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The valuable annual edition of The Financial Post Corporation Service Dividend Record will be published the middle of January, 1955. This Record gives complete information on dividends paid by Canadian public companies in 1954. An example follows:

Amount $	Payable or paid	Record Date
Intl. Nickel Co. of Canada Ltd.		
7% c pf ($100 & $5) Rate 7% pa Q		
1¾%US	Feb 1/54	Jan 4-xd 31
1¾%US	May 1/54	Apr 1-xd 31
1¾%US	Aug 2/54	Jul 6-xd 5
1¾%US	Nov 1/54	Oct 4-xd 1
Paid: 1953—7%; 1952—7%		
Common (np) Rate $2.00 pa Q		
0.50US ..	Mar 20/54	Feb 18-xd 17
0.50US ..	Jun 21/54	May 25-xd 21
0.50US .	Sep 20/54	Aug 23-xd 20
0.50+0.90US	Dec 20/54	Nov 22-xd 18
Paid: 1953—$2.00+0.35; 1952—$2.00+0.60		

Individual Copies — Individual copies of this useful permanent record of 1954 dividends may be ordered **prior to Dec. 31, 1954, at a special pre-publication rate** of $1.50 per copy for one copy and 50 cents for each additional copy. After Dec. 31, 1954, the regular rate of $2.00 for one copy and 50 cents for each additional copy will apply.

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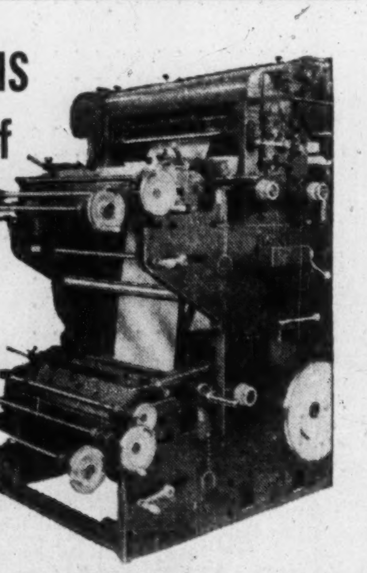

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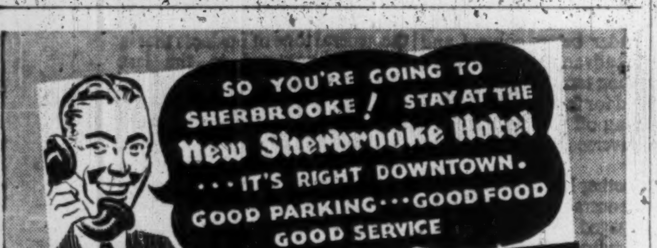
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By a Subscriber

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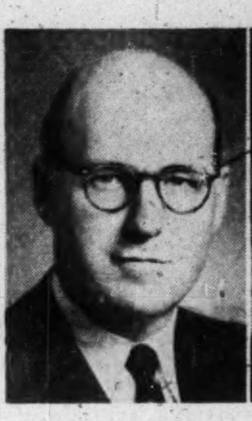
Merchant Fleet Vital to Canada Shipowners Hold

Should Canada have a peacetime subsidized merchant navy? Yes, says the Canadian Shipowners' Association, representing 17 companies with ocean-going ships totaling over a million deadweight tons.

The shipowners declare Canada's merchant navy is in eclipse, leaving a vital sector in our defense and economy at the mercy of foreign-controlled interests. Shipbuilders and ship repairers are worried by the dispersal of our overseas cargo fleet.

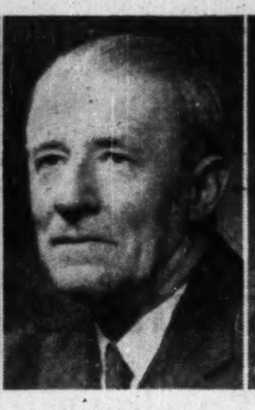
The remedy: a $5 million subsidy (¼ of 1% of annual national defense costs) to maintain an efficient merchant navy nucleus. Here is a summary of their argument:

By W. J. FISHER
General Manager, C.S.A.



M. G. ANGUS
President, Lunham & Moore Shipping Ltd., Montreal and President, Canadian Shipowners Association.

E. F. RIDDLE
President, Canada Shipping Co., Vancouver and Vice-President, C.S.A.



A. L. LAWES
Chairman of directors, Montreal Shipping Co., and Vice-President, C.S.A.

W. J. FISHER
General Manager, C.S.A. with offices at 160 Laurier Avenue West, Ottawa.

Canada lags behind the rest of the world in ocean shipping. It is a phase of transportation in which Canadians cannot be sure of adequate services from organizations and facilities under their own control. Yet it is important to Canada in peace, vital in war.

Over the brief span of Canadian history a Canadian merchant navy has played an important role in Canadian economic development but its career has been one of fits and starts. At the moment, it is in eclipse.

Three times Canadians have built a sizeable merchant navy and three times have seen it decline. Canada once had a great fleet of wooden sailing ships which faded when the iron-steamship came on the scene.

In both the First and Second World Wars, impelled by the terrific necessity of keeping their lifelines open in the face of enemy submarine activity, Canadians built the merchant navy anew. After World War I it languished and died. Now it is again languishing. Although Canada is the third trading nation in the world she is, for the third time in history, becoming completely dependent on the ships of other nations for the carriage of her goods by sea.

Effect of High Costs

Facts and figures of rises and falls of the Canadian merchant navy are to be found in governmental reports and documents. From the viewpoint of present and future, experience of the past is important.

It shows the basic reason for the situation — Canadian costs are high compared with other maritime nations. Canadian shipyard workers and Canadian seamen are higher paid than those in Europe. Where the wage bill on a British ship is $155 a day, the bill on a comparable Canadian ship is $380.

Ocean freight rates fluctuate with supply and demand. When rates are high Canadian ships operate profitably. When they are low, ships of other nations take business away.

This situation was known to the Government when it came to decide shipping policy at the end of World War II. It was known on the basis of previous experience — two wars in which Canada, at high cost, had to start both shipping and shipbuilding industries from scratch, an intervening period when low-cost competition drove Canadian ships from the seas and put the shipbuilding industry out of business.

Government Aid Needed

The Government sought expert advice, appointed the Canadian Maritime Commission to investigate. The commission reported in 1949: "From the point of view of national security we estimate that a deep-sea merchant dry-cargo and tanker fleet of about 750,000 deadweight tons would be sufficient for the carriage of essential cargoes in the early stages of an emergency and to act as auxiliaries for the defense services . . . If it is considered advisable to maintain the shipping and shipbuilding industries in Canada it is clear that they will require government aid."

This and a statement by Minister of Trade and Commerce Howe in the House of Commons on June 16, 1947, make three things clear:

—Both shipping and shipbuilding are necessary in time of war.

—They cannot be called into being from scratch except at great cost and with considerable delay for the assembling of equipment, the recruiting and training of skilled men.

—They cannot be maintained between emergencies without government aid.

The shipbuilding industry is being maintained with a form of government aid. A big naval building program is under way. The Government gets the naval vessels built in Canadian yards, as well as other vessels for governmental operation, at high cost. They could be purchased more cheaply in British shipyards.

The shipping industry gets no government aid. Because they cannot meet Canadian costs on low freight rates Canadian shipowners have had to transfer most of their ships to United Kingdom registry which means they must employ United Kingdom crews. The skilled group of Canadian seamen and ships' officers, painfully built up during and after World War II is being dispersed.

British crews will not be available to Canada in an emergency, even though the ageing ships may be recalled to Canadian registry. Canada's export and import trade, 25 million tons of cargo each year, is being carried in ships of foreign registry over which neither the Canadian Government nor any Canadian interest exercises control. The outward traffic includes our great wheat and flour surplus, sale of which overseas, is essential to the prosperity of Canadian farmers. The inward traffic includes all the bauxite ore used in our great aluminum industry, scores of other materials essential to the operation of our industries and our standards of living.

Under Foreign Control

Other industries vital to economy or of high defense importance are not left unprotected. It can be demonstrated that in the emergency of World War II, Canada and her allies benefited greatly from the existence of efficient manufacturing industries which had been sustained by tariff protection for purely economic reasons. A case in point is the automobile industry.

In this motorized age no Canadian would now want to see his country become dependent on foreign manufacturers of motor vehicles. He would not want to see trucks and buses which serve Canadian industry under foreign control, liable to be shifted elsewhere, as securitiy interest of governments or profit interest of owners might dictate.

Yet, that is happening in the field of ocean shipping. In time of crisis ships will carry only such Canadian exports and imports as non-Canadian authorities dictate. A nucleus of a Canadian merchant navy is thus essential to:

—Assure Canada of means of moving essential exports and imports to which, under emergency conditions, authorities in other countries could not give priority;

—Provide a cadre of skilled men to train others for the enlarged merchant navy we would immediately proceed to build.

That nucleus can only be assured with government aid. Since tariff protection — through which Canada maintains other essential industries — is not appropriate, it must take other forms.

A glance at the maritime policies of some other countries shows how it can be done. Most comparable is the U. S., like Canada, a country with high wage and high living standards. Under the Merchant Marine Act the U. S. Government pays both construction and operating subsidies to achieve parity of costs between domestic and foreign shipbuilders and operators.

For the fiscal year 1954-55 more than $400 millions in public funds were appropriated to make sure that the U. S. has ships under its own control to carry its wartime and peacetime traffic.

In one form or another these other countries take measures to protect national ship operation: Argentine, Australia, Belguim, Brazil, Denmark, France, Germany, Greece, India, Italy, Japan, Netherlands, Norway, South Africa, Spain, Sweden, Switzerland, United Kingdom.

A plan is needed not merely to enable ships to operate under the Canadian flag, paying Canadian wage rates, using Canadian repair and supply services, but also to provide shipowners with the means and incentive for replacements.

Canada needs a nucleus of a merchant navy, efficient and modern, ever on the up-grade in quality if not in quantity.

Maintaining a nucleus of a merchant navy doesn't mean all Canadian exports and imports by sea would move in subsidized Canadian vessels. In 1953 only 4.3% of Canada's overseas trade moved in Canadian ships. Back in 1947, 20.2% moved that way. A Canadian merchant navy that could carry 10% of Canada's overseas trade would be a sizeable nucleus and a worthwhile reserve for emergencies. Foreign ships could still carry 90% of our trade at no cost to the taxpayer. All our trade would still be carried at the lowest competitive rates.

It is noted that under the North Atlantic Treaty, arrangements for a pool of shipping have been considered. Even if the pool becomes a reality, Canada's say in its management will be meagre if Canada makes no contribution to it.

The only two countries on whose merchant fleets we might hope to rely are the U. K. and the U. S. But neither may be able to help.

The British merchant navy is not growing, her overseas trade is. That means less of her shipping is available to shippers of other countries. In any case U. K. is moving out of the carriage of Canadian goods. In 1947 U. K. ships carried 45.2% of Canada's dry-cargo overseas trade. In 1953 the British share was 34%.

The U. S., at great effort and expense, sees to it that American ships are available to carry and protect American commerce. Having bought this security at high cost, they are not likely to share it, except on very limited terms, with a country which refuses to pay for its own security.

$5 Million Nucleus

Shipping authorities estimate that Canada can support an efficient nucleus merchant navy for ¼ of 1% of the present annual expenditure on national defense. The defense budget is about $2 billions. Another $5 millions would keep a merchant navy in being and under Canadian control.

With a gross national product of $364 billions, U. S. spends $400 millions on its merchant navy. A comparable expenditure by Canada with a gross national product of $24 billions would be $26 millions.

The function of the Royal Canadian Navy is officially described as the protection of shipping, the defense of Canadian coastal areas, harbors, trade routes. The RCN this year is spending $337 millions. To the extent that, for any period in an emergency, there is a deficiency of ships to move in and out of Canadian coastal areas, etc., the money spent on naval defense is idle.

Can we afford not to have a merchant navy? Being without one exposes Canada to certain risks in peacetime, to very definite risks and high expenditures in wartime. It is essential to Canada that Canadian exports reach their overseas markets on terms comparable to the exports of countries with which we compete.

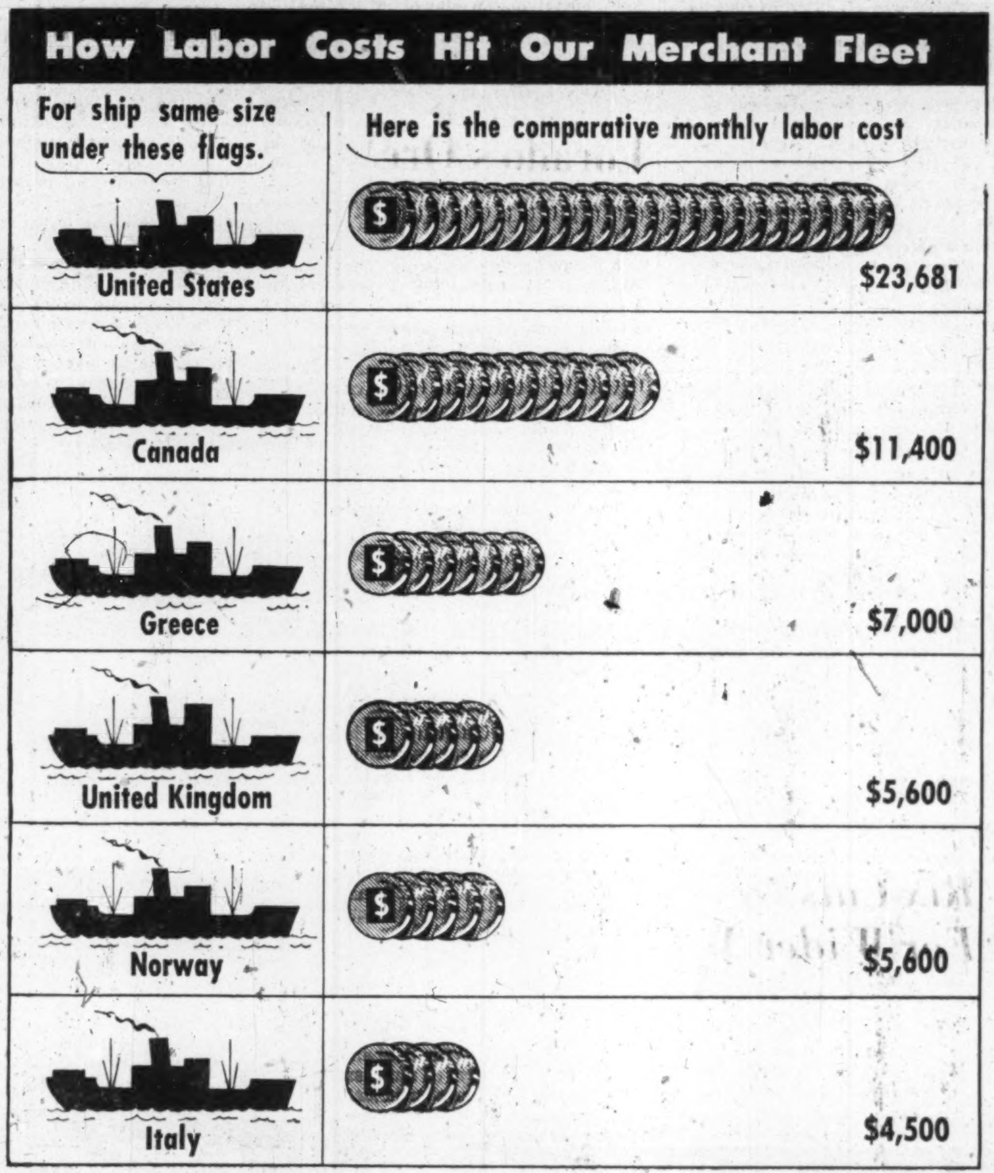
In an all-out struggle for markets a national shipping service can be used to put a nation's exports in a favored position in overseas markets. Without a merchant navy Canada has no way of protecting Canadian exporters and importers from handicaps designed to favor competitors.

With even a small group of ships under Canadian control every exporter and importer can be assured shipping services on terms comparable to those open to his competitors.

The Canadian taxpayer has a great investment in Canadian ports and harbor facilities. To the extent that Canadian trade moves through American ports that investment pays no dividends. Shippers are finding it increasingly difficult to get suitable cargo space out of Canadian ports. The reason is that non-Canadian ship operators find it easier to get better loads at the larger ports.

In building a defense structure without a nucleus of ocean-going cargo ships Canadians make the mistake of the biblical character who built his house on sand. In expanding the economy through export and import trade without an assured minimum of shipping service Canadians are tying their machinery to a powerline with no control over the switch.

Canada cannot afford to be without the nucleus of a merchant navy and a nucleus of shipbuilding industries that support it. In terms of over-all national income, of trade valume, of outlay on defense program, Canada can easily afford the cost of enabling a small, efficient merchant navy to live under the Canadian flag.



Carmichael Joins Board of Ventures

With a reduction in directorate from 16 to 8 approved at a special meeting Jan. 20 Ventures Ltd., has named four new men to its board.

The new directors are:

H. B. Blake, New York, international banker;

Edmond J. Lincoln, Wilmington, Del., a retired economist of Dupont Co.;

H. J. Carmichael, St. Catharines, vice-pres. of Conroy Mfg. Co.;

Leonard Buck, New York.

In addition to new board, the directorate comprises Thayer Lindsley, president; J. M. Cunningham-Dunlop, Alan Andersen and W. B. Maxwell. All the important operating heads who were directors have been retained as vice-presidents.

The reduction in number of directors would enable the board to function more efficiently, Mr. Lindsley stated.

BRITISH AMERICAN OIL CO. issued 7,475 common shares in November on conversion of debentures due Aug. 1, 1961, and 3,440 common shares on conversion of debentures due June 15, 1962. There were 8,394,396 shares outstanding as of Nov. 30, 1954, including 5,100 shares also issued in November under a stock option agreement.

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DIVIDEND NOTICES

CHARTERED TRUST COMPANY

DIVIDEND NO. 144

NOTICE IS HEREBY GIVEN THAT A DIVIDEND of 30c per share has been declared on the paid-up Capital stock of the Company for the Quarter ending December 31st, 1954, payable January 3rd, 1955, to shareholders of record at the close of business December 15th, 1954.

By Order of the Board.
H. G. SOWARD, F.C.I.S.,
Secretary.

Dated at Toronto,
October 26th, 1954.

MONARCH MORTGAGE AND INVESTMENTS LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of One Dollar ($1.00) per share has been declared on the Common Shares of the Company, payable December 31st, 1954, to shareholders of record Wednesday, December 22nd, 1954.

By Order of the Board.
E. M. DUTHIE,
Secretary.

Toronto, December 14th, 1954.

DIVIDEND NOTICES

N. SLATER COMPANY LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of .53c per share has been declared on the outstanding Preferred Stock of the Company, payable January 15th, 1955, to shareholders of record at the close of business on January 3rd, 1955.

NOTICE IS HEREBY GIVEN, ALSO, that a quarterly dividend of .15c per share has been declared on the outstanding Common Shares of the Company, payable February 1st, 1955, to shareholders of record at the close of business on January 10th, 1955.

By Order of the Board.
E. GARSIDE,
Secretary.

SASKATOON PIPE LINE COMPANY LIMITED

A dividend of Twenty-five Cents ($.25) per share has been declared on the No par Common Shares of this Company payable on the 29th day of December, 1954, to Shareholders of record at the close of business on the 15th day of December, 1954.

By Order of the Board.
L. C. SLATER,
Secretary.

Regina, Saskatchewan,
December 15, 1954.

CANADIAN VICKERS LIMITED

COMMON SHAREHOLDERS

Notice is hereby given that a regular quarterly dividend of thirty-seven and one half cents (37½ cents) per share on the 545,000 shares outstanding has been declared and will be paid on the fifteenth day of January 1955 to shareholders of record at the close of business on December 31st, 1954.

(Signed) J. B. HATCHER,
Secretary.

Montreal,
Dec. 13, 1954.

NOTICES

THE ROYAL BANK OF CANADA

ANNUAL MEETING

The Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 13th day of January, 1955, at 11 o'clock a.m. Shareholders will be asked to consider and, if deemed advisable, to enact a by-law increasing the authorized capital stock of the Bank from Fifty Million Dollars ($50,000,000) to One Hundred Million Dollars ($100,000,000).

By Order of the Board.
T. H. ATKINSON
General Manager

Montreal, Que., December 7, 1954

BRITISH COLUMBIA FOREST PRODUCTS LIMITED

Notice is hereby given that the Ninth Annual General Meeting of the shareholders of the above named Company will be held at Salon "A", Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia, on Thursday, the 27th day of January, 1955, at the hour of 12.00 o'clock noon, for the purpose of electing a board of directors for the ensuing year, considering the accounts and balance sheet, receiving the reports of the directors and auditors, conferring a general authority to take or acquire by purchase or otherwise any shares in any other corporation, (which authority shall expire at the next annual general meeting of the Company unless it is continued by ordinary resolution passed thereat), transacting such other business as may be properly brought before the meeting, and adopting, with or without amendment, the following resolution as a Special Resolution:

"Resolved that the maximum number of directors be increased from nine to twelve and that Article 85 of the Company's Articles of Association be amended accordingly by striking out the word 'nine (9)' and substituting the word 'twelve (12)' therefor."

DATED at Vancouver, British Columbia, this 14th day of December, 1954.

By Order of the Board.
TREVOR L. DANIELS,
Secretary.

WORLD WIDE BANKING Chase

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

18 Pine Street

New York 5, N.Y., December 24, 1954.

Notice of Annual Meeting

To the Shareholders:

Notice is hereby given that the annual meeting of the shareholders of The Chase National Bank of the City of New York will be held at its principal banking house and Head Office, 18 Pine Street, in the Borough of Manhattan, City, County and State of New York, on January 25, 1955, at 11 o'clock A.M., for the election of directors and for the transaction of such other business as may properly come before said meeting or any adjournment or adjournments thereof.

The books for the transfer of shares of stock of this Bank will be closed at the close of business on January 14, 1955 and, unless otherwise ordered by the Board of Directors, will not be reopened until the opening of business on January 26, 1955.

The National Bank Act provides that in all elections of directors of national banks "each shareholder shall have the right to vote the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate such shares and give one candidate as many votes as the number of directors multiplied by the number of his shares shall equal, or to distribute them on the same principle among as many candidates as he shall think fit."

By order of the Board of Directors,

JOHN J. McCLOY,
Chairman Board of Directors

KENNETH C. BELL,
Vice President and Cashier

DIVIDEND NOTICES

THE BANK OF TORONTO

DIVIDEND NO. 294

Notice is hereby given that a Dividend of **Forty-Three and One Third Cents** per share on the present Paid-Up Capital Stock of this Bank has been declared for the current quarter, payable at the Head Office of the Bank and its Branches on and after the first day of February next, to shareholders of record at the close of business on the 15th day of January, 1955.

By Order of the Board.
WILLIAM KERR,
General Manager.

December 14th, 1954.

RELIANCE PRODUCTS

RELIANCE PETROLEUM LIMITED

DIVIDEND NOTICE

Notice is hereby given that a semi-annual dividend at the rate of four and one-half per cent (4½%) per annum on the Cumulative Redeemable Preference shares of the Company has been declared, payable January 3rd, 1955 to shareholders of record at the close of business on December 17th, 1954.

Also that a semi-annual dividend of fifty cents (50c) per share on the Class "A" shares of the Company has been declared, payable January 3rd, 1955 to shareholders of record at the close of business on December 17th, 1954.

Also that a semi-annual dividend of fifty cents (50c) per share on the Class "B" shares of the Company has been declared, payable January 3rd, 1955 to shareholders of record at the close of business on December 17th, 1954.

By Order of the Board,
E. A. REID,
Secretary.

DATED at London, Ontario,
15th December, 1954.

THE DOMINION BANK

DIVIDEND No. 289

Notice is hereby given that a dividend of thirty-two and one-half cents per share for the quarter ending 31st January, 1955, on the paid-up capital stock of this Bank has been declared and that the same will be payable at the Head Office of the Bank and its branches on and after 1st February, 1955, to shareholders of record on 31st December, 1954.

By Order of the Board.
A. C. ASHFORTH,
General Manager.

Toronto, 9th December, 1954.

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors held today a final dividend of seventy-five cents per share on the Ordinary Capital Stock was declared in respect of the year 1954, payable in Canadian funds on February 28, 1955, to shareholders of record at 3.30 p.m., on December 30, 1954.

By Order of the Board,
FREDERICK BRAMLEY,
Secretary.

Montreal, December 18, 1954.

ROYALITE OIL COMPANY, LIMITED

NOTICE OF DIVIDEND

NOTICE is hereby given that Dividend No. 1 on the 5¼% First Series Preferred Shares of the Company has been declared payable January 1st, 1955, to holders of such shares of record at the close of business on Friday, December 17th, 1954.

This is the first dividend on the Preferred Shares accrued since November 1st, 1954, and amounts to 21.875 cents per share.

By Order of the Board.
K. S. C. MULHALL,
Secretary-Treasurer.

Calgary, Alberta,
December 13, 1954.

IMPERIAL TOBACCO COMPANY OF CANADA, LIMITED

DIVIDEND

NOTICE is hereby given that a Dividend (No. 29) of Twenty-five Cents (25c) per Share has been declared for the quarter ending 31st January, 1955, on the paid-up 4% Cumulative Redeemable Sinking Fund Preference Shares of the Company. The said Dividend will be paid on Tuesday, the 1st day of February, 1955, to shareholders of record at the close of business on Friday, the 31st day of December, 1954.

By Order of the Board.
H. E. JACKSON,
Secretary.

MONTREAL, P.Q.,
16th December, 1954.

BURNS & CO. LIMITED

Dividend Notice

The directors of Burns & Co. Limited have declared dividends on the Class "A" and "B" shares of the Company, payable quarterly in 1955 as follows:

$3.00 a share on Class "A" payable January 29th—$1.50; April 29th—50c; July 29th—50c; October 29th—50c; plus an extra dividend of 50c a share payable with the January instalment.

$2.00 a share on Class "B" payable January 29th—50c; April 29th—50c; July 29th—50c; October 29th—50c; plus an extra dividend of 50c a share with the January instalment.

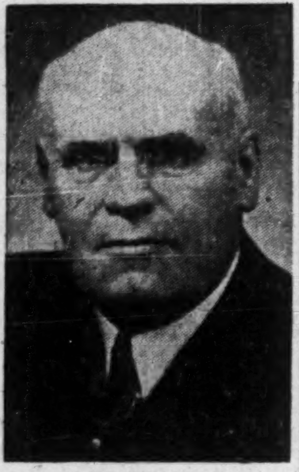
Dividends are payable to shareholders of record the 8th day of each dividend month.

Transfer agents National Trust Company Limited, Toronto, Winnipeg, Calgary, Vancouver.

R. J. Dinning,
President.

New industries promise extensive secondary development

B. S. Vanstone, President of The Bank of Toronto, urges capital self-sufficiency as new goal for Canadians:



B. S. Vanstone,
President

As you are aware, the meeting today is of special importance in that a proposal to amalgamate with The Dominion Bank is being submitted for your decision. It was thought advisable that we first dispose of the matters usual to an annual meeting, and accordingly my remarks on general economic conditions will be briefer than customarily. A little later, in placing the proposed amalgamation agreement before you, I will offer some further comment.

During the year Messrs. C. C. Calvin, Q.C., I. P. Rexford, C. S. Robertson and W. Kerr were elected to our Board of Directors. The first three named are men of high standing in the business world who have been friends and supporters of this institution for many years. Mr. Kerr is, of course, our General Manager, whose years of service have well earned him this further honor. Our Directorate is strengthened by the addition of these four new members.

Our General Manager has reviewed the Annual Statement in detail and I need not comment further except to say that I feel you will agree with me that we should be well satisfied with the showing reported. The gain in both assets and earnings, particularly as the statement covers an eleven-month period only, is noteworthy.

Significant New Industries

If in retrospect in the future the year 1954 receives prominence, it will be not so much for its current prosperity as for its notable accomplishments in bringing into production great new industries of long-term significance—aluminium in Northern British Columbia and iron ore in Northern Quebec. Important, also, has been the commencement of the Inland Seaway and the discovery of additional large bodies of the metal ores so essential to the metal age in which we live.

It should be remembered, too, that these industries, in addition to their own contribution to Canada's economic well-being, promote further important development such as great new transportation arteries and power centers. They lead as well to the establishment of lesser industries and an enlargement of opportunity for already-established concerns whose output can contribute the materials required in the principal operations.

It is significant that these developments will be beneficial not only in the long term but as well in the almost immediate future.

Established Industries Mostly Prosperous

For our established industries, 1954 on the whole has been a good year, with production and income maintained at high levels. There have been exceptions, however, and for one or two—textiles and what may be called light durable goods—the road ahead is still not bright. Nevertheless, it is to be hoped that determination and perseverance will yet find a solution to their difficulties, though it may come gradually at best.

Mining has had a good year, with new impetus from the greater demand for base metals, which has been reflected in improved prices for most of these in the last few months.

Construction also has done well, both in the housing and in the industrial sections. While in the latter there has been some evidence of slackening and keener competitive bidding, sufficient new projects—such as the Seaway—would appear to be under way or in prospect to ensure a continuance of the favorable trend in the year ahead. There seems no abatement as yet in the demand for house construction.

The forest industries—both lumbering and pulp—have shown betterment in 1954 and the outlook for these is reasonably promising.

Agriculture generally, and in Western Canada in particular, has suffered a temporary setback due to inclement weather, but with surpluses of good, marketable grain from earlier years (much of it as yet unsold in producers' hands) and farm debt greatly reduced and now in readily manageable amounts, there should continue to be a fair total of purchasing power. It is encouraging that there is this fall the excellent subsoil moisture that is usually so helpful to the next crop—a different condition to that which frequently follows a bad year caused by drought.

Manufacturing in its heavy industry sections, has done well with the exception of farm implements. Here current farming conditions and also, possibly, the heavy purchasing of former years creating a surfeit over farmers' requirements, have slackened the domestic demand. An encouraging factor, however, has been the recorded 5 per cent increase in export sales. In the light industries, production has largely caught up with immediate demand, and to increase sales many manufacturers must face the problem of introducing attractive new lines at attractive prices.

Merchandising and transport, despite some falling off at mid-year, in later months have shown resurgence, so that results for the full year are now expected to be quite satisfactory.

All this summarizes a degree of present and potential prosperity which continues to make Canada attractive to substantial external investment.

Import-Export Situation

Since 1953 our export trade has been falling off, particularly in the case of wheat. In volume, both exports and imports have declined; in price, while exports have decreased, imports have increased to a marked degree. Canada's terms of trade have thus worsened by approximately 4 per cent, which has been mainly responsible for our continuing to have a trading deficit with the rest of the world.

Even so our overall excess of imports, representing largely as it does the import of capital equipment, will undoubtedly prove to have been compensated for by an extensive inflow of long-term capital investment. In our neighbor Republic, which remains the principal source of such investment, a conspicuous development has been the formation of new companies specializing in the diversified placement of private risk funds in Canadian industry.

It is quite true that the preponderance of postwar investment in Canada has been financed from the savings of Canadians themselves; yet it has frequently been said that investment from outside has leavened the loaf. At times Canadians are charged with neglecting the more speculative—and therefore sometimes more profitable—investment opportunities in our own country. In defence we may well point out that with our less abundant capital per head there is some justification for our taking less risk.

Accordingly one of our main tasks, as over the long term our productive capacity increases, should be, surely, to develop such a climate of opinion among Canadians with funds to invest (who in turn should form an increasing proportion of all Canadians) that in time our economy may become self-sufficient as to equity capital.

Deficit Financing Dangerous

Meanwhile the premium, which this year has prevailed at approximately 3 per cent on our currency, continues to bespeak the world's confidence not only in our extensive and varied resources but in the prospect of continued soundness in our public economic policies. Indications are now said to exist that the Dominion Government may end the 1954-55 fiscal year with the first budgetary deficit since the war. Moderate though such may be, we should be constantly on guard against accepting with complacency the philosophy of deficit financing. If resorted to at all, it should be only with a view to providing services or conveniences the effect of which will be to increase the volume of national production to such an extent as will service and amortize the debt. We should avoid going into debt to provide new services before we can afford them. Also it is to be hoped that our financial soundness may not become undermined as the result of exporters, in the face of competition, influencing our Government to embark on any over-generous programme of easy credit to external debtors.

Industrial Unrest and Our Economy

On top of a regrettable increase in insurable unemployment, the Canadian economy in the past year has been handicapped by industrial unrest, accompanied by what may be called voluntary unemployment. It is unfortunate that this has particularly affected industries that have already suffered some loss in demand for their product.

Repeatedly it has been stated that ours is becoming too much of a high-cost economy to permit prices capable of meeting increasingly keen competition on world markets. Some of our primary industries are certainly among the most efficiently operated in the world and hence can offer workers a wage scale, and therefore a standard of living, of which Canada is justly proud. But only through increasing productivity and increasing the efficient use of manpower can such benefits be afforded in all of our industries.

It may be asked whether it might not help some of Canada's light industries to bring their costs into competitive range if they were to locate themselves away from the pressure of these heavier industries, which in their very nature can more easily absorb higher costs. Such a move would doubtless entail some displacement of labor. If workers wish to avoid such a contingency they will do well to consider whether their particular industries are in a position to meet ever-increasing wage demands. But it is management's task in the first place to find all possible opportunities for improving design and overhauling methods and thus cutting costs without sacrificing quality.

Must Remain Prepared

Many hopes have recently been expressed that international tension may be now on the way to abatement. Canadian business can only rejoice over any general removal of such a handicap to profitable production and trade; but before rejoicing we must be assured that the causes of tension have really been eliminated. Until this is proved we will, if we are wise, keep Canada adequately prepared for all possible emergencies.

In the first place, we should remain equipped to defend our own territory. Further, we should continue to make common cause with such friendly Powers as will exchange guarantees with us so as to protect all and sacrifice none of our vital interests. These interests certainly include, in addition to the preservation of the integrity of our home territory, the uninterrupted maintenance of our North American and Western European trading connections.

Continual Adjustment Needed

In any economy there is more or less continuous adjustment, and following a sizeable expansion such as Canada has experienced over the past few years, it naturally follows that the development is inclined to be patchy and overdone in places requiring readjustment.

Readjustment in itself has a function and the function is that of forcing the cutting down of over-production and over-stimulated consumption and directing this energy and purchasing power into other channels. The problem is to keep the degree of readjustment within reasonable bounds and the economy from fluctuating too seriously.

Most observers of the North American economy appear to agree that the rather mild readjustment which it underwent earlier in 1954, is drawing or has drawn to a close and that its effects have been salutary rather than otherwise. Accordingly, when we assess Canada's prospects for 1955, we need not look far to find many important items in our favor.

Future Outlook Favourable

Though our development may gradually render us less vulnerable to events in our neighbor Republic, we are still in a position to be substantially affected. Hence if the many forecasts of business once more moving upward in the United States are correct, we cannot but be benefited. Europe's growing prosperity, too, must improve our opportunities for marketing our foodstuffs and raw materials.

Our domestic market, in addition, can only be broadened and deepened by any effort we may make to encourage the growth of our population and expansion of labor forces. Our fixed capital investment also promises to continue, which is a favorable factor; and it will be all the more favorable if the investment is of a type that will be productive.

All in all, our expectations for the next twelve months may well be more cheerful than when we addressed you last January. But I have already pointed out sufficient soft spots and uncertain elements in our economy to justify the tempering of optimism with caution. Any other attitude, I feel, can only handicap us in attaining the moderate yet well-sustained prosperity that I believe lies ahead of us in the coming months. As we approach the end of 1954, let us be thankful that for the majority of Canadians it has been a reasonably prosperous year; and let us face 1955, not indeed with complacency, but with quiet confidence.

On the Amalgamation

We now come to the final and most important item of business: the submission to our shareholders of the proposed amalgamation agreement between The Bank of Toronto and The Dominion Bank in the form approved by the Minister of Finance.

Copies of this proposed agreement were sent to all shareholders on the 15th of November, together with a joint statement by Mr. Robert Rae, President of The Dominion Bank, and myself, as well as separate and combined financial statements and other explanatory data. The reasons and arguments for the proposed amalgamation are perhaps already familiar to you, but a few additional comments may be helpful.

Negotiations originated some months ago as it was felt that in looking to the future both institutions, although well established and successful, should be placed in a stronger competitive position in order to more fully contribute to and share in the growth and well being of Canada. It was decided that this could best be accomplished by combining our resources and energies.

Two Strong Organizations

At this time I would like to stress as strongly as possible that this amalgamation is the joining together of two strong and long-established institutions which have attained their present excellent position by their own efforts, neither having ever taken over or merged with another bank.

Paralleling Nation's Growth

The Canadian banks have perhaps never been so expansion-minded and aggressive in any previous era as they have in the era of growth since World War II. It may surprise you that in this period of intensive competition your Bank and The Dominion Bank have more than held their own percentage-wise, but that is not good enough. Due to the great lead the larger institutions have had over us—chiefly because of their earlier mergers—and in spite of the progress of The Dominion Bank and ourselves percentage-wise, the gap in respect to assets, branches, and volume of business has been steadily widening. Thus individually we have been faced with the prospect of our effective growth and influence probably declining in the future in comparison with those of the larger banks.

The whole trend of the economy in Canada as elsewhere is toward size in all forms of business. As our country grows, so must the banks grow with it to function and compete effectively, but the establishment of new branches, which are costly and require trained staff, cannot be hurried and only a limited number can be afforded yearly in relation to size and earnings. A considerable outlay for building and equipment is necessary for even the smallest additional unit, and on top of this capital investment it takes an average of five years to place a branch on a paying basis. Therefore, in endeavoring to continue its growth alone in the future, your bank would be severely handicapped by the competition of the larger institutions.

Extended Facilities

Only through amalgamation with a bank already established at points where our services have not yet been extended can we now expect to attain a proper coverage of Canada before finding place after place over-banked before we reach it. It is estimated that by the proposed move at least ten years will be saved in branch development.

As you have already been informed, the branch systems of the two banks complement each other admirably. Outside the large cities we are in opposition in only 19 places and even in the large centers it is surprising that we conflict in so few instances.

The new institution will commence with 450 branches, and the excellent representation in Ontario will permit a large share of resources available for expansion to be directed to other areas. This will give greater national coverage and place us generally in a more effective competitive position. With a further early and worthwhile development visualized in the other provinces of Canada, both east and west, it is essential that we be able to take our full part.

The Dominion Bank has offices in New York and London, England, where we are not located, and these will aid greatly in providing a more comprehensive and attractive service to customers from other lands and in improving our position in the important field of foreign trade.

Traditions Maintained

Our General Manager in his address referred to the long and honorable reputation of The Bank of Toronto, and having been associated with it for nearly fifty years, I can well agree with his remarks. However, I am sure that the character and high traditions which have prevailed for almost a century will continue in the larger institution, as will the steady, sound progress.

He also rightly pointed out that we have to look to the future in sizing up the merits of the proposal, and in so doing undoubtedly it will be realized that the amalgamation is highly desirable. The new institution through the expansion of branch facilities will be in a much improved competitive position and able to give a broader and more efficient service to business, large and small, and to the public generally. Operating costs should be reduced.

To preserve the good-will of both institutions built up over a long period of years, it was deemed advisable to use the combined name and to continue with the present Directors and Officers, which would give us the advantage of their many years of experience and help in maintaining contact with customers.

Your Directors and Management strongly and unanimously approve the amalgamation agreement, feeling that by combining our energies and resources with those of The Dominion Bank an even greater contribution can be made to the welfare and growth of Canada and also that our shareholders, our customers, and the public at large will benefit therefrom.

It is hardly necessary for me to outline the procedure in connection with the amalgamation of the two banks as this information was given in the material sent to our shareholders. At this time it is sufficient to say that if the agreement meets with your approval, there are further steps to be taken, including four weeks publicity, and therefore the earliest the amalgamation can be consummated is about February 1st.

GENERAL MANAGER REPORTS

Confident tone for 1955

Wm. Kerr addressed the Shareholders as follows:

Wm. Kerr,
General Manager

In presenting to you our 99th Annual Statement I do so with somewhat mixed feelings. For almost a hundred years this bank has been serving the people of Canada. In that time it has acquired a character and a reputation for friendliness and stability of policy in good years and bad which have found favour in the eyes of a not inconsiderable segment of our people and of which we who have spent the greater part of our lives in its ranks are very proud.

Later in this meeting our President will be presenting to you a proposal to amalgamate our bank with The Dominion Bank, another old, well established and well regarded institution, and if the proposal finds favour with you—our shareholders—it is most probable that this meeting and the presentation of this statement will close a chapter in our history.

Undoubtedly there will be times in the future when some of us will look back over former years with feelings of nostalgia, but in any dynamic institution one must pay more attention to the future than to the past, and when one does so in this context I am very sure that there is so much advantage to both banks in consummating the proposal that I have no hesitation in recommending to you its support.

For a number of technical reasons it was decided by your Directors and management to advance our fiscal year-end from November 30th to October 31st. Consequently our statement this year covers an operating period of eleven months only, and I would like you to keep in mind that in the past, November has always been one of our most profitable months. I would like too to remark that while revenues contributing to the results accrued from eleven months' operations, several important items of overhead could only be charged on an annual basis.

Profits

In the fiscal period referred to, after absorbing considerably higher taxes and depreciation, making our usual contribution to the Staff Pension Fund and full provision for bad and doubtful debts and all other contingencies, net profits at $1,370,351 were higher than those of the full fiscal year in 1953 by $66,950 and earnings per share rose from $2.17 to $2.28.

The usual dividend of $1.40 per share and the same extra dividend as last year of 30¢ were declared by your Directors and paid, and there was carried forward to undivided profits an amount of $350,351 bringing the balance in that account up to $671,372.

Rest Account

It will be noted that $2,000,000 has been transferred during the year from inside Tax Paid Reserves to Rest Account bringing the latter up to $18,000,000, or three times the amount of Paid-Up Capital. This is the first time that this relationship has been established in Canadian Banking.

Assets

At $593,563,616 total assets increased by $22,652,296. It is worthy of note that if our annual statement had reflected a full twelve months' operations to November 30th the increase for the full year would have been $36,300,000. On that date total assets stood at $607,200,000.

Liquid assets, consisting of cash, readily marketable securities and call loans, standing at $346,639,230 are 60.9% of total liabilities to the public, up slightly from a year ago, while the quick ratio of 17% is down slightly reflecting a moderate shift from cash to securities. As we remarked a year ago, this is a strong liquid condition.

Securities, $238,809,328, an increase for the year of $23,902,684. Of the total, 80% is in Government of Canada direct and guaranteed securities and 5% in similar securities of Provincial Governments. The entire portfolio is under constant scrutiny and is taken well under the market.

Call Loans, $9,743,101, are up for the year by $4,020,497. The creation of the new Money Market during the year, the organization of which enables us to make advances secured by Government securities of short term with assurance that they can be called and met within 24 hours, has opened a new use of quick funds to us in which we had put out $4,100,000 at statement date. Other loans in this category were fully secured with the usual margin of readily saleable securities which are carefully supervised for quality.

Other Loans, $231,919,812.

The increase in this asset for the year, $3,993,798, is considerably below the average for some years past. The strong demand for commercial credit which has been a characteristic of the postwar years saw some abatement in 1954, reflecting a desire on the part of industry to bring working capital under better control and put capital advances in more comfortable long term form.

Demand for farm credit too saw some falling off as a result of the general adverse conditions in that field.

On the other hand, the requirements of contractors, particularly those engaged in the building trades, remained high and consumer credit continued to increase though at a slower pace.

Mortgages under National Housing Act 1954, $2,404,365.

This is a new type of bank investment made possible under the revised Bank Act. Its virtue has been the source of much discussion but in accordance with our comment a year ago we have felt that within proper limits it has a place in banking. Accordingly we have undertaken commitments for loans to the amount of $8,382,245 of which $2,404,365 had been made available at October 31st. Needless to say, we have examined all applications with due care and have had each examined by reliable expert mortgage brokers with years of experience to ensure that there was no question of the quality of our commitments.

Deposits, $564,272,178.

These show an increase for the eleven months of $19,148,406. Deposits by the public increased by $45,506,143 but Government deposits decreased by $15,558,051 and amounts due to other banks by $10,799,686. The last two items are of a volatile nature and at October 31st were at a low point. At November 30th when they were again running at levels closer to those of last year our total deposits stood at $578,553,000, an increase of $33,430,000 for the twelve months.

Premises, $9,711,708, an increase of $548,590.

During the year we completed four new offices which were under construction at the end of 1953 and have built one more to accommodate a new branch, Rexdale and Kipling Avenue, Toronto. In addition, we completed major additions at six branches and converted quarters in leased premises for seven new branches.

As intimated in the Directors' Report, eight new branches were opened in 1954 and our Branch Development Department which maintains a constant survey has several other points under investigation.

Staff

The maintenance of good public relations in the field is an essential to the well-being of the bank and good public relations in the field reflect the efficiency of, and the quality of service given by, our staff. During the past few months there has been ample evidence that in both aspects the work of our staff has found favour with our customers and friends, and on behalf of management I wish to say a sincere word of thanks to every member.

Shareholders and Customers

In periodical review of the affairs of the bank and the factors contributing to its progress, one is often amazed to find how often first contacts with new business come from suggestions or introductions by shareholders and customers. Active friendship of this kind is invaluable and most deeply appreciated.

* * *

At the beginning of the year fears were held in some quarters that 1954 might see an interruption in the continuity of the prosperity that had highlighted the Canadian economy in the postwar years. Happily, with the year drawing to a close, these fears have not materialized. From statistics which are available for the first three quarters, and from the general tone of business that is being encountered in the last quarter, it seems likely that the national income in 1954, while slightly under that of 1953, will be of a high average and on the whole well distributed. There has been some fluctuation in the degree of participation by those engaged in the various types of endeavour but I believe that there is a general tone of confidence with respect to the year ahead that should ensure that few who do not place themselves in voluntary unemployment cannot look forward to 1955 with reasonable optimism.

It is becoming increasingly evident that we have entered an era of keen competition where quality, value and cost are matters of greater urgency than availability of supply which is relatively easy. With the resurgence of industrial output in some low cost countries which have emerged from preoccupation with reconstruction, Canadian management and labour must with cool and sincere judgment appraise new or increased costs which they impose on production so as not to price goods beyond market acceptability. This view will be readily accepted as far as production for the export market is concerned but it applies equally to production for the domestic market for as sure as costs make production for the domestic market so high that foreign production can undersell it, foreign goods will be bought and Canadian employment will suffer.

We are justly proud of the high standard of living which is a characteristic of our economy, but a high standard of living can only exist when there is a high rate of profitable employment, and those whose responsibility it is to make decisions which follow through costs to markets and finally to profitable employment should be very careful to see that their judgment is leavened with moderation and prudence.

Head Office:
Toronto, Ontario

THE BANK OF TORONTO
Established 1856

Branches across Canada
Correspondents All Over The World